



HEALTH QUARTERLY STATEMENT  
AS OF SEPTEMBER 30, 2018  
OF THE CONDITION AND AFFAIRS OF THE  
Group Hospitalization and Medical Services, Inc.

NAIC Group Code 0380 0380 NAIC Company Code 53007 Employer's ID Number 53-0078070  
(Current) (Prior)

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry DC

Country of Domicile United States of America

Licensed as business type: HMDI

Is HMO Federally Qualified? Yes ☐ No ☐

Incorporated/Organized 08/11/1939 Commenced Business 03/15/1934

Statutory Home Office 840 First Street NE Washington, DC, US 20065  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 10455 Mill Run Circle  
(Street and Number)  
Owings Mills, MD, US 21117 410-581-3000  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 10455 Mill Run Circle Owings Mills, MD, US 21117  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10455 Mill Run Circle  
(Street and Number)  
Owings Mills, MD, US 21117 410-998-7011  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.carefirst.com

Statutory Statement Contact William Vincent Stack 410-998-7011  
(Name) (Area Code) (Telephone Number)  
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(E-mail Address) (FAX Number)

OFFICERS

President and Chief Executive Officer Brian David Pieninck # Corp. Treasurer & VP Jeanne Ann Kennedy

Corp. Secretary, Exec.VP & Gen. Counsel Meryl Davis Burgin

OTHER




<u>Gregory Mark Chaney, EVP &amp; CFO</u>	<u>Stacia Anne Cohen #, EVP, Medical Affairs</u>	<u>David Jeffrey Corkum, EVP, Large Group SBU</u>
<u>John David Kaercher #, EVP, Chief Information Officer</u>	<u>Rose Vartuhi Megian, EVP, Small and Medium Group SBU</u>	<u>Wanda Kay Oneferu-Bey, EVP, Consumer Direct &amp; Government Programs SBU</u>
<u>Maria Harris Tildon #, EVP, Mktg Comm &amp; Ext Affairs</u>	<u>Jennifer Ann Cryor Baldwin, SVP, Patient Centered Medical Home (PCMH)</u>	<u>Peter Andrew Berry, SVP, Chief Actuary</u>
<u>Stacey Rae Breidenstein #, SVP, Networks Management</u>	<u>Vickie Shennay Cosby #, SVP, Consumer Direct SBU</u>	<u>Sandra Anne Dilworth #, SVP, IT Operations</u>
<u>Andrew James Fitzsimmons #, SVP, Chief Informatics Officer</u>	<u>Melvelyn Nelson Greene #, SVP, FEP Local Operations</u>	<u>Jonathan Nahm Kromm #, SVP, Mktg &amp; Comm</u>
<u>Usha Nakhasi, SVP, Gen Mgr SBPASC/FEPOC</u>	<u>Kenneth Patrick Sullivan #, SVP, IT Applications</u>	<u>Michelle Judith Wright, SVP, Human Resources</u>

DIRECTORS OR TRUSTEES

<u>Shirley Marcus Allen</u>	<u>Clifford Edward Barnes</u>	<u>Sherri Lin Bohinc</u>
<u>Jonca Camille Bull</u>	<u>Mark John Chastang</u>	<u>Jeffrey Peter DiLisi</u>
<u>Robert Reginald Hagans Jr.</u>	<u>Artis Gail Hampshire-Cowan</u>	<u>Wendell Lee Johns</u>
<u>Robert Carl Kovarik Jr.</u>	<u>Michael Joseph McShea</u>	<u>Shirley Rollins Patterson</u>
<u>Elena Victoria Rios</u>	<u>Patricia Amelia Rodriguez</u>	

State of Maryland SS:  
County of Baltimore

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

 Brian David Pieninck President and Chief Executive Officer	 Meryl Davis Burgin Corp. Secretary, Exec. VP & Gen. Counsel	 Jeanne Ann Kennedy Corp. Treasurer & VP
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Subscribed and sworn to before me this 8th day of November, 2018  
Coetta A. Miller

- a. Is this an original filing? ..... Yes ☒ No ☐
- b. If no,
1. State the amendment number.....
  2. Date filed .....
  3. Number of pages attached.....

COETTA A. MILLER  
NOTARY PUBLIC  
BALTIMORE COUNTY  
MARYLAND  
MY COMM. EXP. NOVEMBER 16, 2021

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	418,682,062	0	418,682,062	398,924,217
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	128,963,975	0	128,963,975	103,007,978
3. Mortgage loans on real estate:				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	0	0	0	0
5. Cash (\$ .....(95,828,505) ), cash equivalents (\$ .....136,484,538 ) and short-term investments (\$ .....5,878,781 ) .....	46,534,814	0	46,534,814	79,988,410
6. Contract loans (including \$ .....0 premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	487,361,451	166,667	487,194,784	456,112,705
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,081,542,302	166,667	1,081,375,635	1,038,033,310
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	3,090,799	0	3,090,799	2,875,081
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	265,936,521	9,785,455	256,151,066	239,951,493
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums (\$ .....0 ) and contracts subject to redetermination (\$ .....169,223,405 ) .....	169,223,405	0	169,223,405	97,297,847
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	84,581	0	84,581	2,636,023
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	3,855,294	0	3,855,294	6,727,881
17. Amounts receivable relating to uninsured plans .....	63,220,924	484,978	62,735,946	41,170,216
18.1 Current federal and foreign income tax recoverable and interest thereon .....	39,178,718	0	39,178,718	6,501,153
18.2 Net deferred tax asset .....	95,538,597	22,328,273	73,210,324	140,412,473
19. Guaranty funds receivable or on deposit .....	10,073,680	0	10,073,680	9,858,085
20. Electronic data processing equipment and software .....	148,836,207	128,543,207	20,293,000	18,563,257
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	16,099,953	16,099,953	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	7,813,813	0	7,813,813	18,331,524
24. Health care (\$ .....117,273,293 ) and other amounts receivable .....	818,652,784	11,961,216	806,691,568	926,562,817
25. Aggregate write-ins for other than invested assets .....	68,216,543	66,846,396	1,370,147	1,370,147
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,791,364,121	256,216,145	2,535,147,976	2,550,291,307
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27)	2,791,364,121	256,216,145	2,535,147,976	2,550,291,307
DETAILS OF WRITE-INS				
1101. ....	0	0	0	0
1102. ....	0	0	0	0
1103. ....	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid Pension .....	17,314,350	17,314,350	0	0
2502. Prepaid Expenses .....	49,532,046	49,532,046	0	0
2503. Other Assets .....	1,370,147	0	1,370,147	1,370,147
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	68,216,543	66,846,396	1,370,147	1,370,147

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 3,565,392 reinsurance ceded)	272,915,314	8,751,465	281,666,779	264,208,867
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	11,188,047	358,763	11,546,810	10,775,668
4. Aggregate health policy reserves, including the liability of \$ 1,920,000 for medical loss ratio rebate per the Public Health Service Act	729,988,747	0	729,988,747	833,044,075
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	29,736,954	0	29,736,954	37,239,943
9. General expenses due or accrued	133,823,215	0	133,823,215	84,486,508
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))	0	0	0	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	27,842,445	0	27,842,445	35,754,893
13. Remittances and items not allocated	158,835	0	158,835	295,698
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	53,232,748	0	53,232,748	70,092,079
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$ 0 ) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	27,854,196	0	27,854,196	10,416,781
23. Aggregate write-ins for other liabilities (including \$ 6,329,440 current)	39,164,592	0	39,164,592	42,762,820
24. Total liabilities (Lines 1 to 23)	1,325,905,093	9,110,228	1,335,015,321	1,389,077,332
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	71,000,000
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	0	0
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	1,200,132,655	1,090,213,975
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0 )	XXX	XXX	0	0
32.2 0 shares preferred (value included in Line 27 \$ 0 )	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	1,200,132,655	1,161,213,975
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,535,147,976	2,550,291,307
DETAILS OF WRITE-INS				
2301. Amounts Withheld for Escheatment	4,185,527	0	4,185,527	4,243,090
2302. Reinsurance Payable	6,329,440	0	6,329,440	9,257,503
2303. Noncurrent Pension and Other Postretirement Liabilities	22,200,683	0	22,200,683	22,470,754
2398. Summary of remaining write-ins for Line 23 from overflow page	6,448,942	0	6,448,942	6,791,473
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	39,164,592	0	39,164,592	42,762,820
2501. Special Surplus – 2018 Health Insurer fee	XXX	XXX	0	71,000,000
2502.	XXX	XXX	0	0
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	0	71,000,000
3001.	XXX	XXX	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months .....	XXX	5,807,345	6,200,706	8,235,451
2. Net premium income ( including \$ .....0 non-health premium income).....	XXX	2,480,010,536	2,505,635,579	3,431,681,608
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	97,877,671	4,319,483	(108,872,789)
4. Fee-for-service (net of \$ .....0 medical expenses).....	XXX	0	0	0
5. Risk revenue .....	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	15,676,476	12,991,457	21,129,263
7. Aggregate write-ins for other non-health revenues .....	XXX	8,903,054	5,670,362	8,019,501
8. Total revenues (Lines 2 to 7) .....	XXX	2,602,467,737	2,528,616,881	3,351,957,583
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....	47,771,840	1,417,641,550	1,386,509,076	1,862,955,601
10. Other professional services .....	1,559,933	184,439,098	179,293,046	233,164,009
11. Outside referrals .....	19,384,114	19,384,114	28,089,361	30,824,781
12. Emergency room and out-of-area .....	1,934,205	51,826,113	51,293,544	66,566,633
13. Prescription drugs .....	0	600,589,554	604,284,328	809,225,738
14. Aggregate write-ins for other hospital and medical .....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....	0	0	0	0
16. Subtotal (Lines 9 to 15) .....	70,650,092	2,273,880,429	2,249,469,355	3,002,736,762
<b>Less:</b>				
17. Net reinsurance recoveries .....	0	22,247,691	35,445,158	44,824,364
18. Total hospital and medical (Lines 16 minus 17) .....	70,650,092	2,251,632,738	2,214,024,197	2,957,912,398
19. Non-health claims (net) .....	0	0	0	0
20. Claims adjustment expenses, including \$ .....35,937,564 cost containment expenses .....	0	93,551,178	94,866,441	124,953,256
21. General administrative expenses .....	0	237,528,480	188,480,285	248,805,717
22. Increase in reserves for life and accident and health contracts (including \$ .....0 increase in reserves for life only) .....	0	0	0	0
23. Total underwriting deductions (Lines 18 through 22).....	70,650,092	2,582,712,396	2,497,370,923	3,331,671,371
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	19,755,341	31,245,958	20,286,212
25. Net investment income earned .....	0	13,785,753	11,721,069	16,330,626
26. Net realized capital gains (losses) less capital gains tax of \$ .....1,239,864 .....	0	4,664,250	9,708,986	8,557,758
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	18,450,003	21,430,055	24,888,384
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....0 ) (amount charged off \$ .....0 )].....	0	0	0	0
29. Aggregate write-ins for other income or expenses .....	0	38,712	47,359	244,661
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	38,244,056	52,723,372	45,419,257
31. Federal and foreign income taxes incurred .....	XXX	(34,133,360)	12,233,450	10,921,667
32. Net income (loss) (Lines 30 minus 31) .....	XXX	72,377,416	40,489,922	34,497,590
<b>DETAILS OF WRITE-INS</b>				
0601. FEP Performance Incentive .....	XXX	14,353,422	12,954,736	21,092,542
0602. Miscellaneous Fees .....	XXX	0	36,721	36,721
0603. Network Access Fee - Dual Contracts .....	XXX	1,323,054	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above) .....	XXX	15,676,476	12,991,457	21,129,263
0701. FEP Bridge Revenue .....	XXX	8,903,054	5,670,362	8,019,501
0702. ....	XXX	0	0	0
0703. ....	XXX	0	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above) .....	XXX	8,903,054	5,670,362	8,019,501
1401. ....	0	0	0	0
1402. ....	0	0	0	0
1403. ....	0	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above) .....	0	0	0	0
2901. Miscellaneous .....	0	53,814	48,667	276,329
2902. Regulatory Fines and Fees .....	0	(15,102)	(1,308)	(31,668)
2903. ....	0	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above) .....	0	38,712	47,359	244,661

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	1,161,213,975	963,238,049	963,238,049
34. Net income or (loss) from Line 32 .....	72,377,416	40,489,922	34,497,590
35. Change in valuation basis of aggregate policy and claim reserves .....	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... (1,249,477)	27,015,362	10,153,986	4,975,829
37. Change in net unrealized foreign exchange capital gain or (loss) .....	0	0	0
38. Change in net deferred income tax .....	(63,276,798)	5,100,674	136,188,592
39. Change in nonadmitted assets .....	2,802,700	(2,136,156)	(1,260,034)
40. Change in unauthorized and certified reinsurance .....	0	0	0
41. Change in treasury stock .....	0	0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles.....	0	0	0
44. Capital Changes:			
44.1 Paid in .....	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....	0	0	0
45. Surplus adjustments:			
45.1 Paid in .....	0	0	0
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....	0	0	0
46. Dividends to stockholders .....	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0	23,573,949
48. Net change in capital & surplus (Lines 34 to 47) .....	38,918,680	53,608,426	197,975,926
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,200,132,655	1,016,846,475	1,161,213,975
DETAILS OF WRITE-INS			
4701. Change in Pension Prepaid Asset/Liability .....	0	0	23,573,949
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	23,573,949

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	2,383,132,437	2,480,851,868	3,314,992,596
2. Net investment income .....	14,583,316	13,010,201	18,406,899
3. Miscellaneous income .....	24,579,530	18,661,819	29,148,764
4. Total (Lines 1 to 3) .....	2,422,295,283	2,512,523,888	3,362,548,259
5. Benefit and loss related payments .....	2,114,032,793	2,201,847,206	2,966,317,146
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	233,481,333	247,985,838	281,359,922
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... 1,239,864 tax on capital gains (losses) .....	(215,930)	17,105,260	23,176,244
10. Total (Lines 5 through 9) .....	2,347,298,196	2,466,938,304	3,270,853,312
11. Net cash from operations (Line 4 minus Line 10) .....	74,997,087	45,585,584	91,694,947
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	357,566,988	365,698,613	575,888,694
12.2 Stocks .....	45,660,586	70,150,000	70,150,000
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	652,749	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(3,500)	0	(141)
12.7 Miscellaneous proceeds .....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	403,876,823	435,848,613	646,038,553
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	379,602,627	403,870,057	565,083,458
13.2 Stocks .....	70,413,403	47,114,532	47,773,169
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	450,016,030	450,984,589	612,856,627
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(46,139,207)	(15,135,976)	33,181,926
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied) .....	(62,311,476)	(29,131,499)	(49,891,173)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(62,311,476)	(29,131,499)	(49,891,173)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) ..	(33,453,596)	1,318,109	74,985,700
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	79,988,410	5,002,710	5,002,710
19.2 End of period (Line 18 plus Line 19.1) .....	46,534,814	6,320,819	79,988,410

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1  Total	Comprehensive (Hospital & Medical)		4  Medicare Supplement	5  Vision Only	6  Dental Only	7  Federal Employees Health Benefit Plan	8  Title XVIII Medicare	9  Title XIX Medicaid	10  Other
		2  Individual	3  Group							
<b>Total Members at end of:</b>										
1. Prior Year .....	676,927	50,147	189,479	9,964	18,228	42,508	352,125	.0	.0	14,476
2. First Quarter .....	648,778	27,877	187,599	9,649	18,172	43,349	347,865	.0	.0	14,267
3. Second Quarter .....	642,997	26,611	186,550	9,508	17,641	42,527	345,767	.0	.0	14,393
4. Third Quarter .....	640,310	25,751	185,759	9,392	17,894	42,496	344,449	.0	.0	14,569
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	5,807,345	245,636	1,679,749	86,122	161,584	386,373	3,119,184	0	0	128,697
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician .....	6,125,276	164,622	596,609	113,230	.0	.0	5,250,815	.0	.0	.0
8. Non-Physician .....	5,023,497	134,859	425,157	47,465	0	0	4,416,016	0	0	0
9. Total	11,148,773	299,481	1,021,766	160,695	0	0	9,666,831	0	0	0
10. Hospital Patient Days Incurred	132,235	7,760	15,225	4,092	0	0	105,158	0	0	0
11. Number of Inpatient Admissions	28,107	2,300	4,342	963	0	0	20,502	0	0	0
12. Health Premiums Written (a) .....	2,508,333,554	203,365,034	630,546,034	18,508,840	11,853,688	59,002,573	1,578,155,810	.0	.0	6,901,575
13. Life Premiums Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Property/Casualty Premiums Written .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
15. Health Premiums Earned .....	2,606,211,225	203,365,078	630,438,332	18,508,840	11,853,688	59,002,573	1,676,141,139	.0	.0	6,901,575
16. Property/Casualty Premiums Earned .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
17. Amount Paid for Provision of Health Care Services.....	2,256,688,246	193,782,475	473,202,871	13,590,478	13,286,552	43,375,468	1,517,387,802	.0	.0	2,062,600
18. Amount Incurred for Provision of Health Care Services	2,273,880,429	190,768,024	472,739,364	13,391,367	13,368,077	43,555,987	1,538,967,802	0	0	1,089,808

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ .....0

## CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

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UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec. 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	61,205,179	626,096,026	988,475	64,207,423	62,193,654	68,482,199
2. Medicare Supplement .....	2,733,644	16,137,007	28,829	2,863,787	2,762,473	3,127,457
3. Dental Only .....	2,956,561	36,244,288	71,236	4,420,961	3,027,797	4,211,037
4. Vision Only .....	0	12,551,328	0	206,636	0	125,111
5. Federal Employees Health Benefits Plan .....	206,115,857	1,311,271,945	4,194,496	203,695,504	210,310,353	186,310,000
6. Title XVIII - Medicare .....	0	0	0	0	0	0
7. Title XIX - Medicaid .....	0	0	0	0	0	0
8. Other health .....	752,975	1,419,262	42,205	947,227	795,180	1,953,062
9. Health subtotal (Lines 1 to 8) .....	273,764,216	2,003,719,856	5,325,241	276,341,538	279,089,457	264,208,866
10. Healthcare receivables (a) .....	0	43,309,247	0	0	0	0
11. Other non-health .....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts .....	0	0	0	0	0	0
13. Totals (Lines 9-10+11+12)	273,764,216	1,960,410,609	5,325,241	276,341,538	279,089,457	264,208,866

(a) Excludes \$ 76,084,700 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities and Banking (DISB).

The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia. The Company does not utilize any permitted practices.

For the nine months ended September 30, 2018 and the year ended December 31, 2017, there were no differences in net income and surplus between NAIC SAP and practices prescribed by the District of Columbia.

(in thousands)					
			September 30, December 31,		
			2018	2017	
NET INCOME	SSAP #	F/S Page	F/S Line #		
(1) State basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	\$ 72,377	\$ 34,498
(2) State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP				-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 72,377	\$ 34,498
<u>SURPLUS</u>					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 1,200,133	\$ 1,161,214
(6) State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP				-	-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 1,200,133	\$ 1,161,214

B. Use of Estimates in the Preparation of the Financial Statements

No change.

C. Accounting Policy

Bonds

Mortgage-backed securities that are included within bonds are valued at amortized cost using the interest method including anticipated prepayments except in cases where NAIC guidance requires them to be carried at the lower of cost or fair value. Prepayment assumptions are obtained from external sources and are based on the current interest rate and economic environment. The prospective adjustment method is used to value all such securities (refer to Note 20).

D. Going Concern

The Company's management has determined that there is no substantial doubt about its ability to continue as a going concern.

(1) – (4) Not applicable.

2. Accounting Changes and Corrections of Errors

None.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None.

B. Debt Restructuring

None.

NOTES TO FINANCIAL STATEMENTS

C. Reverse Mortgages

None.

D. Loan-Backed Securities

- (1) The Company records its investment in loan-backed securities using the prospective adjustment method. Prepayment assumptions for single and multi-class mortgage-backed/other asset-backed securities are obtained from broker survey values. The Company uses IDC to determine the fair value for such securities.
- (2) The Company does not have any mortgage-backed/other asset-backed securities which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery.
- (3) For the quarter ended September 30, 2018, the Company did not recognize other-than-temporary impairment in mortgage-backed/other asset-backed securities that the Company has the intent to hold, but does not expect to recover the entire amortized cost basis of the securities. At September 30, 2018, the Company did not hold any mortgage-backed or other asset-backed securities where the present value of cash flows expected to be collected is less than the amortized cost basis.
- (4) The following table shows the gross unrealized losses and fair value of the Company's mortgage-backed/other asset-backed securities with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and by length of time that individual securities have been in a continuous unrealized loss position (*in thousands*):

September 30, 2018					
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Total Unrealized Losses
	< 1 Year	< 1 Year	> 1 Year	> 1 Year	
Government sponsored enterprise mortgage-backed securities	\$ 54,060	\$ 895	\$ 56,431	\$ 2,681	\$ 3,576
Other mortgage-backed and asset-backed securities	15,334	115	4,828	175	290
Total	\$ 69,394	\$ 1,010	\$ 61,259	\$ 2,856	\$ 3,866

(5) No change.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

None.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

None.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

None.

H. Repurchase Agreements Transactions Accounted for as a Sale

None.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

None.

J. Real Estate

None.

K. Low-Income Housing Tax Credits (LIHTC)

None.

L. Restricted Assets

None.

NOTES TO FINANCIAL STATEMENTS

M. Working Capital Finance Investments

None.

N. Offsetting and Netting Assets and Liabilities

None.

O. Structured Notes

No change.

P. 5\* Securities

None.

Q. Short Sales

None.

R. Prepayment Penalty and Acceleration Fees

	General Account
(1) Number of CUSIPs	6
(2) Aggregate Amount of Investment Income (in thousands)	\$ 54

6. Joint Ventures, Partnerships and Limited Liability Companies

A. – B. No change.

7. Investment Income

A. – B. No change.

8. Derivative Instruments

None.

9. Income Taxes

A. Deferred Tax Asset/Liability

(1) The following table shows the components of the net deferred tax asset and deferred tax liability recognized in the Company's financial statements by tax character (in thousands):

	September 30, 2018			December 31, 2017			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$ 137,514	\$ 163	\$ 137,677	\$ 199,243	\$ -	\$ 199,243	\$ (61,729)	\$ 163	\$ (61,566)
Statutory valuation allowance adjustment	2,873	-	2,873	6,289	-	6,289	(3,416)	-	(3,416)
Adjusted gross deferred taxassets	134,641	163	134,804	192,954	-	192,954	(58,313)	163	(58,150)
Deferred taxassets nonadmitted	22,166	163	22,329	17,153	-	17,153	5,013	163	5,176
Subtotal net admitted deferred tax asset	112,475	-	112,475	175,801	-	175,801	(63,326)	-	(63,326)
Deferred tax liabilities	4,486	34,780	39,266	4,657	30,731	35,388	(171)	4,049	3,878
Net admitted deferred tax asset/(liability)	\$ 107,989	\$ (34,780)	\$ 73,209	\$ 171,144	\$ (30,731)	\$ 140,413	\$ (63,155)	\$ (4,049)	\$ (67,204)

(2) – (3) The amount of admitted adjusted gross deferred tax assets are as follows (in thousands):

	September 30, 2018			December 31, 2017			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 24,427	\$ -	\$ 24,427	\$ 25,922	\$ -	\$ 25,922	\$ (1,495)	\$ -	\$ (1,495)
b. Adjusted gross deferred taxassets expected to be realized (excluding the amount of deferred tax assets from a, above) after application of the threshold limitation, (lessor of b.i. and b.ii. below)	83,324	-	83,324	143,176	-	143,176	(59,852)	-	(59,852)
i. Adjusted gross deferred taxassets expected to be realized following the balance sheet date	83,324	-	83,324	143,176	-	143,176	(59,852)	-	(59,852)
ii. Adjusted gross deferred taxassets allowed per limitation threshold	NA	NA	165,994	NA	NA	150,336	NA	NA	15,658
c. Adjusted gross deferred taxassets (excluding the amount of deferred tax assets from a, and b, above) offset by gross deferred tax liabilities.	4,724	-	4,724	6,703	-	6,703	(1,979)	-	(1,979)
d. Deferred taxasset admitted as the result of application of SSAP No. 101 total (a-+b-+c.)	\$ 112,475	\$ -	\$ 112,475	\$ 175,801	\$ -	\$ 175,801	\$ (63,326)	\$ -	\$ (63,326)

	2018	2017
Ratio percentage used to determine recovery period and threshold limitation amount	889%	889%
Amount of adjusted capital and surplis used to determine recovery period and threshold limitation	\$ 1,106,629	\$ 1,002,238

NOTES TO FINANCIAL STATEMENTS

(4) The impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs is as follows (*in thousands*):

	9/30/2018			12/31/2017			Change		
	Ordinary Percent	Capital Percent	Total	Ordinary Percent	Capital Percent	Total	Ordinary Percent	Capital Percent	Total
Adjusted gross DTAs	\$ 134,641	\$ 163	\$ 134,804	\$ 192,954	\$ -	\$ 192,954	\$ (58,313)	\$ 163	\$ (58,150)
Percentage of adjusted gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net admitted adjusted gross DTAs	\$ 112,475	\$ -	\$ 112,475	\$ 175,801	\$ -	\$ 175,801	\$ (63,326)	\$ -	\$ (63,326)
Percentage of net admitted adjusted gross DTAs	0%	0%	0%	0%	0%	0%	0%	0%	0%

The Company’s tax-planning strategy does not include the use of reinsurance.

B. Unrecognized Deferred Tax Liabilities

(1) – (4) At September 30, 2018 and 2017, the Company had no unrecognized deferred tax liabilities.

C. Significant Components of Income Taxes

(1) The (benefit) provision for income taxes on earnings for the quarters ended September 30, 2018 and September 30, 2017 and year ended December 31, 2017 are as follows (*in thousands*):

	Sep. 30, 2018	Sep. 30, 2017	Dec. 31, 2017
Current Income Tax:			
Federal provision (benefit)	\$ (34,133)	\$ 12,233	\$ 10,922
Foreign	-	-	-
Subtotal	(34,133)	12,233	10,922
Federal income tax on net capital gains (losses)	1,240	2,427	2,139
Utilization of capital loss carry-forwards	-	-	-
Other	-	-	-
Federal and foreign income taxes incurred (benefit)	\$ (32,893)	\$ 14,660	\$ 13,061

NOTES TO FINANCIAL STATEMENTS

(2) – (4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows (*in thousands*):

	Sep. 30, 2018	Dec. 31, 2017	Change
<b>Deferred Tax Assets:</b>			
<b>Ordinary</b>			
Discounting of unpaid losses	\$ 630	\$ 521	\$ 109
Unearned premium reserve	-	-	-
Policyholder reserves	-	-	-
Investments	-	-	-
Deferred acquisition costs	-	-	-
Policyholder dividends accrual	-	-	-
Fixed assets	-	-	-
Compensation and benefits accrual	-	-	-
Pension accrual	14,616	14,666	(50)
Receivables - nonadmitted	-	-	-
Net operating loss carry-forward	-	-	-
Tax credit carry-forward	82,508	145,843	(63,335)
Other	39,760	38,213	1,547
Subtotal	137,514	199,243	(61,729)
Statutory valuation allowance adjustment	2,873	6,289	(3,416)
Nonadmitted	22,166	17,153	5,013
Admitted ordinary deferred tax assets	112,475	175,801	(63,326)
<b>Capital</b>			
Investments	163	-	163
Net capital loss carry-forward	-	-	-
Real estate	-	-	-
Other	-	-	-
Subtotal	163	-	163
Statutory valuation allowance adjustment	-	-	-
Nonadmitted	163	-	163
Admitted capital deferred tax assets	-	-	-
Admitted deferred tax assets	112,475	175,801	(63,326)
<b>Deferred Tax Liabilities:</b>			
<b>Ordinary</b>			
Investments	-	-	-
Fixed assets	-	-	-
Deferred and uncollected premium	-	-	-
Policyholder reserves	-	-	-
Other	4,486	4,657	(171)
Subtotal	4,486	4,657	(171)
<b>Capital</b>			
Investments	34,780	30,731	4,049
Real estate	-	-	-
Other	-	-	-
Subtotal	34,780	30,731	4,049
Deferred tax liabilities	39,266	35,388	3,878
Net deferred tax assets	\$ 73,209	\$ 140,413	\$ (67,204)
Deferred tax assets are reflected as admitted assets, subject to certain limitations. The components of the net deferred tax asset recognized in the Company's balance sheets – statutory basis are as follows ( <i>in thousands</i> ):			
	Sep. 30, 2018	Dec. 31, 2017	Change
Adjusted gross deferred tax assets	\$ 134,804	\$ 192,954	\$ (58,150)
Total deferred tax liabilities	39,266	35,388	(3,878)
Net deferred tax assets	\$ 95,538	\$ 157,566	\$ (62,028)
Tax effect of unrealized gains (losses)			(1,249)
Investment in affiliate			(5,857)
Change in net deferred income tax			\$ (69,134)

NOTES TO FINANCIAL STATEMENTS

D. Reconciliation of Federal Income Tax Rate to Effective Rate

The reconciliation of the federal income tax rate to the actual effective rate is as follows (*in thousands*):

	Sep. 30, 2018	Effective Tax Rate
Provision (benefit) computed at statutory rate	\$ 8,292	21.00%
Permanent book to tax and other reserve adjustment	29,962	75.89%
Change in depreciation	694	1.76%
Change in valuation allowance	(3,416)	-8.65%
Nonadmitted assets and other	709	1.79%
Total	<u>\$ 36,241</u>	<u>91.79%</u>
Federal income taxes incurred (benefit)	\$ (32,893)	-83.31%
Change in net deferred income taxes	<u>69,134</u>	<u>175.10%</u>
Total statutory income taxes	<u>\$ 36,241</u>	<u>91.79%</u>

E. – F.

The Company is included in the consolidated federal income tax return of CFI. The federal statutory income tax rate for the Company is 21%. For federal income tax purposes, the Company benefits from a special deduction provided to certain BlueCross and BlueShield organizations under Internal Revenue Code Section 833(b) (the 833(b) deduction).

CFI has a written agreement, approved by the Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidated return. The tax sharing agreement calls for allocation of current federal income tax liability to the Company on the basis of the percentage of the consolidated federal income tax liability attributable to the Company computed on a separate company basis to the total consolidated federal income tax liability. The agreement also provides that to the extent the Company’s tax attributes (e.g., NOLs) reduce the consolidated federal income tax liability, CFI shall pay the Company for use of such attributes in the year utilized.

Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

On December 22, 2017, the legislation known as Tax Cuts and Jobs Act (the Tax Act) was signed into law. The legislation made significant changes to U.S. tax law. Under Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, the effect of changes in tax rates and laws are recognized in the period in which the new legislation is enacted. In the case of U.S. federal income taxes, the enactment date is the date the bill becomes law (i.e. upon presidential signature).

The most significant changes that affected the Company became effective January 1, 2018: (1) permanently reducing the U.S. corporate income tax rate from a maximum of 35% to a flat 21% rate; (2) eliminating the corporate alternative minimum tax; and (3) changing how existing Alternative Minimum Tax (AMT) credits will be realized. With the repeal of AMT, the Tax Act permits any AMT credit carryovers to offset tax liability beginning in 2018 and refunding up to 50% of the remainder (100% in 2021). For 2017, the Company released its valuation allowances that previously covered AMT credits.

The special deduction pursuant to Section 833(b) available to the Company was not changed as a result of the Tax Act.

Prior to the Tax Act, the 833(b) deduction and existing AMT credit carryforwards resulted in the Company incurring income taxes at the Tentative Minimum Tax rate of 20%. As a result, the Company’s income tax provision was reduced from the statutory rate of 35% to account for the benefit of the 833(b) deduction. The Company could lose the benefit of the 833(b) deduction in the future if there is a change in the tax law, if the Company ceases to be not-for-profit, if the Company’s reserves reach certain levels, if the Company’s medical loss ratio does not exceed 85% as required under the Health Reform Legislation, or if certain other events occur. If the Company can no longer benefit from the 833(b) deduction, the Company will incur federal income taxes at the statutory rate. Prior to the Tax Act this rate was 35%. Subsequent to the Tax Act, this rate is now 21%.

The Company received no benefit from 833(b) deduction in 2017.

The Company established valuation allowances over certain AMT credits to account for estimated reductions due to federal sequestration which could affect the refund of those amounts and to reduce other existing deferred tax assets for the reduced income tax rates resulting from the Tax Act. On December 22, 2017, the Securities and Exchange Commission (SEC) staff issued Staff Accounting Bulletin (SAB) 118 to address the application of U.S. Generally Accepted Accounting Principles (GAAP) in situations when a company does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act. The Financial Accounting Standards Board allowed private companies to follow SAB 118 under U.S. GAAP even though they are not regulated by the SEC. On March 24, 2018, Statutory Accounting Principles Working Group adopted INT 18-01, which considers the impact of the Tax Act on SSAP No. 101. Interpretation of INT 18-01 would not require an adjustment to the audited financial statements for changes in tax estimates related to the Tax Act for items that are updated after the filing of the blank. In light of the complexities of tax

NOTES TO FINANCIAL STATEMENTS

reform and the absence of specific guidance for private companies, the Company determined that it would apply the guidance in SAB 118 as of March 31, 2018 and the year ended December 31, 2017.

SAB 118 allows a company to determine a reasonable estimate to be included as provisional amounts and provides a measurement period by which the accounting must be completed. The measurement period ends when the company has obtained, prepared and analyzed the information that was needed in order to complete the accounting requirements under ASC Topic 740 but under no circumstances is the measurement period to extend beyond one year from the enactment date (i.e. December 22, 2018).

The Company is in the process of analyzing the impact of the Tax Act on the year-end income tax provision and has recorded provisional amounts for the Tax Act's impact, such as re-measurement of certain deferred tax assets and liabilities, refundable AMT credits and potential sequestration amounts among other things.

The Company is subject to examination by the Internal Revenue Service and state taxing authorities. In general, the Company's tax years 2015 and forward remain open under the statutes of limitation and subject to examination.

The Company is exempt from all state income taxes in the jurisdictions for which it is registered to do business.

The Company has not made any deposits under Internal Revenue Code Section 6603 of which it reasonably expects to recover in a subsequent period.

G. Tax Contingencies

Not applicable.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) is a not-for-profit company that provides a comprehensive array of health insurance and managed care products and services primarily through indemnity health insurance and health benefits administration. Other products and services include preferred provider and point of service networks, third-party administrator services and other managed care services. These products and services are provided to individuals, businesses and governmental agencies primarily in the Washington, D.C. metropolitan area, Northern Virginia and the state of Maryland.

The Company and CareFirst of Maryland, Inc. (CFMD) are both affiliates of a not-for-profit parent company, CareFirst, Inc. (CFI). These affiliates do business as CareFirst BlueCross BlueShield. The Company and CFMI hold joint interests in a holding company, CareFirst Holdings, LLC (CFH). CFH was formed on December 31, 2010 by contributed assets from the Company and CFMI. CFH's wholly-owned subsidiaries include First Care, Inc. (FirstCare), CFA, LLC, National Capital Insurance Agency, LLC, Capital Area Services Company, LLC, CareCo, LLC and CareFirst BlueChoice, Inc. (CFBC) and its subsidiaries. CFH and its subsidiaries are owned 50.001% by CFMI and 49.999% by GHMSI. Since control over CFH operations is vested in CFI, GHMSI determined that neither GHMSI nor CFMI exercise control over CFH.

GHMSI's subsidiary, Service Benefit Plan Administrative Services Corporation (SBP), was created to operate the Federal Employee Program Operations Center under a contract with the BlueCross BlueShield Association (BCBSA). SBP is 90% owned by GHMSI and 10% owned by BCBSA.

11. Debt

None.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The components of net periodic benefit cost for the nine months ended September 30, 2018 and 2017 are as follows (*in thousands*):

	Pension Benefits		Other Postretirement Benefits	
	2018	2017	2018	2017
Service cost	\$ 5,435	\$ 5,396	\$ 379	\$ 362
Interest cost	9,041	10,218	568	642
Expected return on plan assets	(16,199)	(15,820)	–	–
Amortization of transition (asset) liability	(1,366)	(1,988)	–	–
Amortization of prior service cost	10	118	207	207
Net recognized actuarial loss (gain)	3,238	5,287	(309)	(329)
Net periodic benefit cost for the nine months ended September 30	\$ 159	\$ 3,211	\$ 845	\$ 882



NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) – (8)No change.
- (9)The Company is subject to the Health Insurer Fee (HIF) imposed under Section 9010 of the Patient Protection and Affordable Care Act. In accordance with SSAP No. 106 *Affordable Care Act Section 9010 Assessment* (SSAP 106) the Company's estimated HIF payable in the following year is required to be reclassified from unassigned surplus to special surplus. The Company's balance of special surplus funds represents the amount reclassified for the period. As a result of the 2019 HIF moratorium, there is no amount reclassified to special surplus in 2018.

(10)	Change in net unrealized capital gains (losses) for the nine months ended September 30, 2018:	
	Change in the unrealized gains (losses) from:	
	Affiliated other invested assets:	
	CareFirst Holdings	\$ (702,903)
	CareFirst BlueChoice	27,889,632
	FirstCare	(321,077)
	CFA	4,849,940
	NCIA	240,876
	CASCI	1,695,515
	CareCo	(1,936,206)
	Unaffiliated common stocks	(5,945,769)
	Bonds	<u>(4,123)</u>
	Total unrealized gains (losses)	25,765,885
	Capital gains deferred taxes	<u>1,249,477</u>
	Change in net unrealized capital gains (losses)	
	less capital gains tax (Page 5 Line 36)	<u><u>\$ 27,015,362</u></u>

(11) – (13) No change.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

None.

B. Assessments

(1) In the jurisdictions in which the Company is licensed to conduct business, guaranty associations have been created for the purpose, among others, of protecting insured parties under health insurance policies when a health insurer becomes impaired, insolvent, or fails. The Company is contingently liable for assessments in any calendar year, in order to provide any required funds to carry out the power and duties of the associations. These associations levy assessments, up to prescribed limits, on all member insurers in a particular state on the basis of the proportionate share of the premiums written by member insurers in the line of business in which the impaired, insolvent or failed insurer is engaged. Some states permit member insurers to recover assessments through full or partial premium tax offsets.

In 2009, Pennsylvania Insurance Commissioner placed long-term care insurer Penn Treaty Network America Insurance Company and one of its subsidiaries (collectively, Penn Treaty) in rehabilitation. On March 1, 2017, the Commonwealth Court of Pennsylvania declared Penn Treaty insolvent and ordered Penn Treaty to be liquidated. The insolvency resulted in a retrospective premium-based guaranty fund assessment against the Company of \$15,875,000. In June 2018, an additional assessment of \$423,000 was recorded in general and administrative expenses, which increased the total assessment to \$16,298,000. The Company paid assessment invoices of \$13,347,000 and \$2,899,000 during 2017 and 2018, respectively. As of September 30, 2018, the remaining assessment to be paid is \$52,000. The assessment is expected to be updated in future periods for changes in the estimate of the insolvency. In addition, a portion of this assessment is expected to be offset in the future by premium tax credits that will be recognized in the period received. As of September 30, 2018, the balance of the discounted premium tax credit receivable is \$10,074,000 and is expected to be realized incrementally through 2028.

- (2) A reconciliation of the recognized premium tax credit receivable is as follows (in thousands):
- a. Assets recognized from paid and accrued premium tax offsets and policy surcharges as of January 1, 2018

\$ 9,858

b. Decreases:

(136)

c. Increases:

Premium tax offset recognized

352

d. Assets recognized from paid and accrued premium tax offsets and policy surcharges as of September 30, 2018

\$ 10,074

- (3)
- a. Discount rate applied
- 3.5%

NOTES TO FINANCIAL STATEMENTS

b. The undiscounted and discounted amount of the guaranty fund assessments and related assets by insolvency (*in thousands*):

Guarantee Fund Assessment				Related Assets	
Name of the insolvency	Undiscounted	Discounted	Undiscounted	Discounted	
Penn Treaty Network America Insurance Company and American Network Insurance Company	\$	16,298	*	\$	11,414
				\$	10,074

\* The retrospective premium-based guarantee fund assessment is on an undiscounted basis.

c. Number of jurisdictions, ranges of years used to discount and weighted average number of years of the discounting time period for payables and recoverables by insolvency:

Recoverables			
Name of the insolvency	Number of jurisdictions	Range of years	Weighted average number of years
Penn Treaty Network America Insurance Company and American Network Insurance Company	1	2-10	5

C. Gain Contingencies

None.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

None.

E. Joint and Several Liabilities

None.

F. All Other Contingencies

The Company, along with the BCBSA and all of the other BCBSA licensees, has been named as a defendant in multiple suits that make up the Blue Cross Blue Shield Antitrust Litigation. This matter is part of a multi-district litigation combining several anti-trust cases that challenge the exclusive service areas outlined in the BCBSA license agreements. The Company has been cooperating in the joint defense with the BCBSA. In April 2018, the U.S. District Court issued an order clarifying how certain legal standards will be applied to the case. At the request of the Blues Plans, the Court certified that order as immediately appealable. The Blues Plans have filed a brief requesting that the U.S. Circuit Court of Appeal for the Eleventh Circuit accept the appeal. The Company has retained its own independent counsel to defend these cases; however, it is unable to predict the outcome of the matter or to reasonably estimate a range of possible loss.

The Company insures individuals and provides administrative services to non-risk groups with members who are qualified Medicare beneficiaries. During 2012, CFMI and GHMSI discovered a processing error related to the handling of claims for Medicare members of certain non-risk groups between the years from 2009 to 2012. As a result, CFMI and GHMSI recorded a liability of \$4,800,000 payable to CMS at December 31, 2012, of which \$1,143,000 was recorded by the Company. The liability was subsequently adjusted in 2013 and 2014 after the Company completed its review of the claims data related to this liability. As of December 31, 2014, the balance of the liability is \$1,261,000, and is included in other liabilities. There have been no adjustments to this liability since December 31, 2014. The Company’s management believes that the final resolution of this matter will not result in additional material liabilities to the Company.

On December 30, 2014, the DISB issued an order in which it concluded that GHMSI’s RBC of 998% at December 31, 2011 was excessive, and that the appropriate RBC was 721%. The order stated that 21% of GHMSI’s 2011 surplus was attributable to the District of Columbia (District), and instructed GHMSI to submit a plan for dedication of excess 2011 surplus attributable to the District to community reinvestment in a fair and equitable manner. GHMSI contends that this order is erroneous in many respects, as set out in a Motion to Reconsider filed on January 22, 2015, which was denied.

On February 10, 2015, the Maryland Insurance Commissioner issued an order instructing GHMSI that it may not distribute or reduce its surplus in response to an order of the District of Columbia without his express permission, which had not been granted. On June 10, 2015, the Virginia State Corporation Commission issued an order instructing GHMSI that it may not distribute or reduce its surplus in response to an order of the District without its express permission, which had not been granted. The Virginia State Corporation Commission reiterated this position in a second order issued on October 10, 2016.

On June 14, 2016, the DISB issued a second order, in which it rejected arguments made by GHMSI that no further surplus distribution would be appropriate, and stated that DISB would issue a plan for distribution of surplus within sixty days.

NOTES TO FINANCIAL STATEMENTS

On July 22, 2016, GHMSI filed suit against the DISB Commissioner in the United States District Court for the District of Maryland, naming the Maryland Insurance Commissioner and the Chair of the Virginia State Corporation Commission as interested parties. Among other things, GHMSI seeks a ruling that the District cannot proceed without the agreement of Maryland and Virginia, as required by GHMSI’s federal charter, and a federal ruling as to which of the conflicting state orders takes precedence over the others.

On August 30, 2016, the DISB issued a third order, in which GHMSI was ordered to distribute \$51,325,000 in rebates to subscribers within 120 days. GHMSI filed a motion for reconsideration and for a stay on September 22, 2016, and a protective appeal to the District of Columbia Court of Appeals on September 27, 2016. On October 19, 2016, the Court of Appeals ordered the appeal to be held in abeyance until resolution of the proceedings before the Commissioner. In February 2018, the DISB denied GHMSI’s motion for reconsideration, and GHMSI filed an appeal of the denial. In March 2018, the Court of Appeals consolidated all of the appeals in this matter and granted a stay of the August 2016 Order until the appeals were complete.

GHMSI’s requirements to consider the instructions of its regulators in Maryland and Virginia, and the pending legal decisions that will occur at a future time, coupled with the decline in RBC since the December 31, 2011 measurement date in the DISB December 30, 2014 order, combine to create uncertainty of the outcome of the timing and amount of any potential payment. However, according to statutory accounting guidance, the DISB order issued on August 30, 2016 is considered a judgment rendered by a court. Under statutory accounting guidance, when a judgment is rendered by a court, a liability is required to be accrued. Therefore, as of December 31, 2016, GHMSI recorded a liability of \$51,325,000, which is the amount stated in the DISB order issued on August 30, 2016. The amount was recorded as a reduction to earned premiums. There have been no adjustments to this liability since December 31, 2016. GHMSI will continue to monitor the developments in this matter which may require a reconsideration of whether a different estimated loss should be recorded at a future date.

15. Leases

A. Lessee Operating Lease

No change.

B. Lessor Leases

Not applicable.

16. Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

C. Wash Sales

None.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans

Not applicable.

NOTES TO FINANCIAL STATEMENTS

B. ASC Plans

The results from operations of uninsured ASC plans and the uninsured portion of partially insured plans were as follows for the nine months ended September 30, 2018 and 2017 (*in thousands*):

	September 30	
	2018	2017
Gross reimbursement for medical costs incurred	\$ 1,127,885	\$ 702,440
Gross administrative fees accrued	75,883	47,842
Other income or expenses (including interest paid to or received from plans)	-	-
Gross expenses incurred (claims and administrative)	(1,218,344)	(758,446)
Total net loss from operations, before stop loss	\$ (14,576)	\$ (8,164)
Stop loss, net	6,791	6,884
Net operating loss	\$ (7,785)	\$ (1,280)

The stop loss amount reported above represents the stop loss underwriting gain from the ASC business.

The membership of uninsured ASC plans for the period ended September 30, 2018 and 2017 was 363,000 and 224,000, respectively.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. Fair Value Measurements

Included in various investment-related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stocks when carried at the lower of cost or market. Statutory accounting guidance defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value. The fair value hierarchy is as follows:

- Level 1 – Quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 – Other observable inputs, either directly or indirectly.
- Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset. Management is responsible for the determination of fair value, and performs monthly analyses on the prices received from third parties to determine whether the prices appear to be reasonable estimates of fair value.

There were no transfers between levels during the nine months ended September 30, 2018.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

**Bonds.** The fair value of U.S. Treasury securities is determined by an active price for an identical security in an observable market and is therefore classified as Level 1. Other U.S. government agencies securities, state and municipal securities, foreign government securities, corporate bonds, mortgage-backed securities and other asset-backed securities that are priced by independent pricing services using observable inputs are classified as Level 2. Observable inputs used for other U.S. government agencies securities include quoted prices for like or similar assets, benchmark yields, reported trades and credit spreads. Observable inputs used for state and municipal securities, foreign government securities and corporate bonds include quoted prices for identical or similar assets that are traded in an active market, benchmark yields, new issuances, issuer ratings, reported trades of comparable securities and credit spreads. The fair value of mortgage-backed securities and other asset-backed securities is determined by a cash flow model, which utilizes observable inputs such as quoted prices for identical or similar assets, benchmark yields, prepayment speeds, collateral performance, credit spreads, and default rates at commonly quoted intervals.

**Stocks.** Fair values of publicly-traded index funds where market quotes are available and are actively traded are classified as Level 1. Fair values of publicly-traded index funds where market quotes are available but are not considered actively traded are classified as Level 2. Fair values of privately held equity securities, where there has been limited trading activity or where less price transparency exists around the inputs to the valuation, are classified as Level 3.

NOTES TO FINANCIAL STATEMENTS

The following table presents information about the fair value of the Company's financial instruments measured and reported at fair value (*in thousands*):

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value as of September 30, 2018				
<b>Assets</b>								
Bonds	\$	–	\$	427	\$	427		
Common stocks								
Large capital equity index fund		32,195	–	–		32,195		
Small capital equity index fund		31,209	–	–		31,209		
International equity index fund		33,740	–	–		33,740		
Publicly-traded fixed income index fund <sup>(a)</sup>		–	29,028	–		29,028		
Privately held equity securities		–	–	2,792		2,792		
Total common stocks		97,144	29,028	2,792		128,964		
Total assets measured and reported at fair value	\$	97,144	\$	29,455	\$	2,792	\$	129,391

<sup>(a)</sup> Represent investments in U.S. Treasury inflation-protected securities.

A reconciliation of the beginning and ending balances of privately held equity securities measured at fair value using Level 3 inputs is as follows (*in thousands*):

Beginning balance at January 1, 2018	\$	3,785
Losses recognized in capital and surplus—statutory basis		<u>(993)</u>
Ending balance at September 30, 2018	\$	<u><u>2,792</u></u>

The following table presents information about the aggregate fair value of the Company's financial instruments (*in thousands*):

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Aggregate Fair Value as of September 30, 2018	Admitted Assets as of September 30, 2018
Bonds	\$ 73,587	\$ 335,468	\$ –	\$ 409,055	\$ 418,682
Common stocks	97,144	29,028	2,792	128,964	128,964
Total assets at fair value	\$ 170,731	\$ 364,496	\$ 2,792	\$ 538,019	\$ 547,646

As of September 30, 2018, the Company has no financial instruments for which it is not practicable to estimate fair value.

21. Other Items

A. Unusual or Infrequent Items

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures

In accordance with SSAP 106, the entire HIF is recognized as general administrative expense on January 1. As of September 30, 2018, the Company has recorded the HIF of \$67,747,000, net of reinsurance. As a result of the 2017 HIF moratorium, there was no HIF expense in 2017.

D. Business Interruption Insurance Recoveries

Not applicable.

NOTES TO FINANCIAL STATEMENTS

E. State Transferable and Non-transferable Tax Credits

Not applicable.

F. Subprime-Mortgage-Related Risk Exposure

- (1) The Company categorizes mortgage securities with an average FICO score of less than 675 (credit score) as a subprime mortgage security. The Company has no subprime mortgage securities as of September 30, 2018.
- (2) The Company does not engage in mortgage lending and therefore has no direct exposure through investments in subprime mortgage loans.
- (3) The Company has no exposure in subprime mortgage lending through its fixed maturity and equity investments.

G. Retained Assets

Not applicable.

H. Insurance-Linked Securities (ILS) Contracts

Not applicable.

22. Events Subsequent

Not applicable.

23. Reinsurance

A. Ceded Reinsurance Report

Certain business has been written by CFMI and GHMSI which represents contracts outside the historic CFMI and GHMSI service areas (cross-jurisdictional sales). The net underwriting gain or loss from this cross-jurisdictional business is transferred via a quota-share reinsurance contract from the company that earned them to the company in whose service area they were earned. The Company remains obligated for amounts ceded in the event that CFMI does not meet its obligations. As a result of this reinsurance agreement, the following amounts were assumed from and ceded to CFMI for the nine months ended September 30, 2018 and 2017 (*in thousands*):

	September 30	
	2018	2017
Premiums assumed	\$ 24,186	\$ 27,968
Premiums ceded	(52,518)	(59,338)
Premiums, net	(28,332)	(31,370)
Cost of care assumed	17,550	16,014
Cost of care ceded	(39,797)	(52,020)
Cost of care, net	(22,247)	(36,006)
General and administrative expenses ceded, net	(6,266)	(6,700)
Net loss ceded	\$ 181	\$ 11,336

The Company and CFMI maintain a reinsurance agreement with CFBC to provide stop-loss coverage. This coverage does not have an expiration date.

B. Uncollectible Reinsurance

Not applicable.

C. Commutation of Ceded Reinsurance

Not applicable.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. – C. Not applicable.

NOTES TO FINANCIAL STATEMENTS

D. Medical loss ratio rebates required pursuant to the Public Health Service Act are as follows (*in thousands*):

Prior Reporting Year	Other					
	Small Group Large Group Categories					Total
	Individual	Employer	Employer	Employer	with Rebates	
(1) Medical loss ratio rebates incurred	\$	–	\$ 5,774	\$	–	\$ 5,774
(2) Medical loss ratio rebates paid		–	2,244		–	2,244
(3) Medical loss ratio rebates unpaid		–	6,990		–	6,990
(4) Plus reinsurance assumed amounts	XXX		XXX	XXX	XXX	–
(5) Less reinsurance ceded amounts	XXX		XXX	XXX	XXX	1,037
(6) Rebates unpaid net of reinsurance	XXX		XXX	XXX	XXX	\$ 5,953
Current Reporting Year-to-Date						
(7) Medical loss ratio rebates incurred	\$	–	\$ 108	\$	–	\$ 108
(8) Medical loss ratio rebates paid		–	5,178		–	5,178
(9) Medical loss ratio rebates unpaid		–	1,920		–	1,920
(10) Plus reinsurance assumed amounts	XXX		XXX	XXX	XXX	–
(11) Less reinsurance ceded amounts	XXX		XXX	XXX	XXX	390
(12) Rebates unpaid net of reinsurance	XXX		XXX	XXX	XXX	\$ 1,530

The ceded amounts above are under the Company’s reinsurance contract with CFMI (refer to Note 23).

NOTES TO FINANCIAL STATEMENTS

E. Risk-Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act (ACA) risk-sharing provisions?

Yes.

(2) Impact of Risk-Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue for the nine months ended September 30, 2018 (in thousands):

a. Permanent ACA Risk Adjustment Program Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	\$	161,955
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment		89
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium)		—
Operations (Revenue & Expense)		
4. Reported as revenue in premium for accident and health contracts written due to ACA Risk Adjustment		67,683
5. Reported in expenses as ACA risk adjustment user fees incurred		91
b. Transitional ACA Reinsurance Program Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$	85
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)		—
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		—
Liabilities		
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		—
5. Ceded reinsurance premiums payable due to ACA Reinsurance		—
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance		—
Operations (Revenue & Expense)		
7. Ceded reinsurance premiums due to ACA Reinsurance		—
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments		—
9. ACA Reinsurance contributions – not reported as ceded premium		—
c. Temporary ACA Risk Corridors Program Assets		
1. Accrued retrospective premium due from ACA Risk Corridors	\$	—
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		—
Operations (Revenue & Expense)		
3. Effect of ACA Risk Corridors on net premium income		—
4. Effect of ACA Risk Corridors on change in reserves for rate credits		—

The above amounts are subject to the Company’s reinsurance agreement with CFMI as noted in Note 23.



NOTES TO FINANCIAL STATEMENTS

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance (*in thousands*):

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business 1 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
	1	2	3	4	5	6	7	8	9	10
	Receivable	(Payable)	Receivable	(Payable)	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
a. Permanent ACA Risk Adjustment Program										
1. Premium adjustments receivable (including high risk pool payments)	\$ 94,500	\$ -	\$ 227	\$ -	\$ 94,273	\$ -	\$ (3,308)	\$ -	\$ 90,965	\$ -
2. Premium adjustments (payable) (including high risk pool premium)	-	-	-	-	-	-	-	-	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	94,500	-	227	-	94,273	-	(3,308)	-	90,965	-
b. Transitional ACA Reinsurance Program										
1. Amounts recoverable for claims paid	2,636	-	2,440	-	196	-	(111)	-	85	-
2. Amounts recoverable for claims unpaid (contra liability)	-	-	-	-	-	-	-	-	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	-	-
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	-	-	-	-	-	-	-	-	-	-
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	-	-
7. Subtotal ACA Transitional Reinsurance Program	2,636	-	2,440	-	196	-	(111)	-	85	-
c. Temporary ACA Risk Corridors Program										
1. Accrued retrospective premium	9	-	9	-	-	-	-	-	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
3. Subtotal ACA Risk Corridors Program	9	-	9	-	-	-	-	-	-	-
d. Total for ACA Risk Sharing Provisions	\$ 97,145	\$ -	\$ 2,676	\$ -	\$ 94,469	\$ -	\$ (3,419)	\$ -	\$ 91,050	\$ -

Explanations of Adjustments:

- A. True-up to reflect the 2017 actual based upon the risk adjustment results published by HHS.
- B. Not applicable.
- C. True-up to reflect the 2016 actual based upon reinsurance payments from HHS.
- D. Not applicable.
- E. Not applicable.
- F. Not applicable.
- G. Not applicable.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.

NOTES TO FINANCIAL STATEMENTS

(4) Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year (in thousands):

	Risk Corridors Program Year:	Accrued as of December 31 of the prior reporting year		Received or Paid as of the Current Period on Business Written For the Risk Corridors Program		Differences		Adjustments		Ref	Unsettled Balances as of the	
						Accrued Less Payments (Col 1 - 3)	Accrued Less Payments (Col 2 -4)	Balances	Balances		Cumulative Balance (Col 1 - 3 +7)	Cumulative Balance (Col 2 - 4 +8)
		1	2	3	4	5	6	7	8		9	10
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a.	2014	Accrued Retrospective premium	\$ 9	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -	A	\$ -	\$ -
		Reserve for rate credits or policy experience rating refunds										
b.	2015	Accrued Retrospective premium	-	-	-	-	-	-	-	C	-	-
		Reserve for rate credits or policy experience rating refunds								D		
c.	2016	Accrued Retrospective premium	-	-	-	-	-	-	-	E	-	-
		Reserve for rate credits or policy experience rating refunds										
d.	Total for Risk Corridors	\$ -	\$ 9	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ -	F	\$ -	\$ -

Explanations of Adjustments:

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. Not applicable.
- E. Not applicable.
- F. Not applicable.

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10, respectively)

(5) ACA Risk Corridors Receivable as of Reporting Date (in thousands):

Risk Corridors Program Year:	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 = 1 - 2 - 3	5 Non-admitted Amount	6 = 4 - 5
2014	\$ 1,020	\$ 850	\$ 170	\$ -	\$ -	\$ -
2015	3,750	3,750	-	-	-	-
2016	13,528	13,528	-	-	-	-
Total	\$ 18,298	\$ 18,128	\$ 170	\$ -	\$ -	\$ -

24E(5) total (Column 4) should equal 24E(3)c1 (Column 9)

24E(5) total (Column 6) should equal 24E(2)c1

25. Change in Incurred Claims and Claim Adjustment Expenses

As of September 30, 2018, \$273,764,000 has been paid for incurred claims attributable to insured events for prior years. Reserves remaining for prior years are now \$5,325,000 as a result of re-estimation of unpaid claims and unpaid claims adjustment expenses. Therefore, there has been a \$14,881,000 unfavorable prior year development since December 31, 2017 to September 30, 2018, which includes a \$24,000,000 unfavorable development in the Federal Employee Program line of business. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

No change.

NOTES TO FINANCIAL STATEMENTS

B. Risk Sharing Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserve

- 1. Liability carried for premium deficiency reserves: \$0
- 2. Date of the most recent evaluation of this liability: September 30, 2018
- 3. Was anticipated investment income utilized in the calculation? No

31. Anticipated Salvage and Subrogation

No change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? .....

Yes ☒ No ☐
- 1.2

If yes, has the report been filed with the domiciliary state? .....

Yes ☒ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes ☐ No ☒
- 2.2

If yes, date of change: .....
- 3.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....

Yes ☒ No ☐

If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end? .....

Yes ☐ No ☒
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4

Is the reporting entity publicly traded or a member of a publicly traded group? .....

Yes ☐ No ☒
- 3.5

If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes ☐ No ☒
- 4.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? .....

Yes ☐ No ☐ N/A ☒

If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2013
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2013
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

06/29/2015
- 6.4

By what department or departments?  
District of Columbia Department of Insurance, Securities and Banking
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes ☐ No ☐ N/A ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes ☐ No ☐ N/A ☒
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? .....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms? .....

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....  
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws, rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code.

Yes [ X ] No [ ]
- 9.11

If the response to 9.1 is No, please explain:
- 9.2

Has the code of ethics for senior managers been amended? .....

Yes [ X ] No [ ]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).  
The code was amended in 2017 with an effective date of January 1, 2018, to reflect best practices and new policies as part of a periodic update.
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers? .....

Yes [ X ] No [ ]
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).  
Please see the attached Resolution of the Audit & Compliance Committees of the Boards of the Directors which was adopted in accordance with the "Approval, Amendments and Waivers" section of the CareFirst Code of Ethical Business Conduct and Compliance.

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? .....

Yes [ X ] No [ ]
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....

\$.....0

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) .....

Yes [ ] No [ X ]
- 11.2

If yes, give full and complete information relating thereto:
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: .....

\$.....0
13.

Amount of real estate and mortgages held in short-term investments: .....

\$.....0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....

Yes [ X ] No [ ]
- 14.2

If yes, please complete the following:
- |                                                                                                     | 1                                                 | 2                                                  |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------|
|                                                                                                     | Prior Year-End<br>Book/Adjusted<br>Carrying Value | Current Quarter<br>Book/Adjusted<br>Carrying Value |
| 14.21 Bonds .....                                                                                   | \$.....0                                          | \$.....0                                           |
| 14.22 Preferred Stock .....                                                                         | \$.....0                                          | \$.....0                                           |
| 14.23 Common Stock .....                                                                            | \$.....0                                          | \$.....0                                           |
| 14.24 Short-Term Investments .....                                                                  | \$.....0                                          | \$.....0                                           |
| 14.25 Mortgage Loans on Real Estate .....                                                           | \$.....0                                          | \$.....0                                           |
| 14.26 All Other .....                                                                               | \$.....455,479,007                                | \$.....487,194,784                                 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) ..... | \$.....455,479,007                                | \$.....487,194,784                                 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....                       | \$.....0                                          | \$.....0                                           |
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....

Yes [ ] No [ X ]
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....  
If no, attach a description with this statement.

Yes [ ] No [ ]

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Group Hospitalization & Medical Services, Inc.

GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

16.3 Total payable for securities lending reported on the liability page.
- \$

\$

\$
- 0

0

0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
- Yes [ X ] No [ ]

- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
SunTrust Bank	1445 New York Ave., Washington DC 20005
Bank of New York Mellon	1 Wall St., New York, NY 10286

- 17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?
- Yes [ ] No [ X ]

- 17.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Vanguard	U
Dodge & Cox	U
T. Rowe Price	U
CareFirst (internally managed)	I

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?
- Yes [ ] No [ X ]

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets?
- Yes [ ] No [ X ]

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
15958	Vanguard	54930002789CX3LOCJP65	SEC	NO
104596	Dodge & Cox	549300SV2H1B7EJR0U84	SEC	NO
105496	T. Rowe Price	7HTL8AEQSEDX602FBU63	SEC	NO

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?
- Yes [ X ] No [ ]

- 18.2 If no, list exceptions:

19. By self-designating 5\*GI securities, the reporting entity is certifying the following elements for each self-designated 5\*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5\*GI securities?
- Yes [ ] No [ X ]



.....

**Resolution for  
CareFirst, Inc.  
CareFirst of Maryland, Inc.  
Group Hospitalization and Medical Services, Inc.  
Audit and Compliance Committee  
February 20, 2018**

.....

**Waiver of the CareFirst Code of Conduct and Policy**

**RESOLVED**, that following a review of the facts and further discussion, the CFI, CFMI and GHMSI Audit and Compliance Committees (“Committee”) hereby approves management’s recommendation for a waiver of the CareFirst Code of Conduct and applicable policy that prohibit the employment of a family member of a CareFirst executive, as outlined in the February 12, 2018 Memorandum (attached), presented by Mr. Cioni during the Executive Session of the February 20, 2018 Committee meeting.



.....

CareFirst BlueCross BlueShield is the shared business name of CareFirst of Maryland, Inc. and Group Hospitalization and Medical Services, Inc. which are independent licensees of the Blue Cross and Blue Shield Association. ® Registered trademark of the Blue Cross and Blue Shield Association. ® Registered trademark of CareFirst of Maryland, Inc.

**PROPRIETARY AND CONFIDENTIAL**

GENERAL INTERROGATORIES

PART 2 - HEALTH

1.

Operating Percentages:

1.1 A&H loss percent

88.7 %

1.2 A&H cost containment percent

1.4 %

1.3 A&H expense percent excluding cost containment expenses

11.4 %

2.1

Do you act as a custodian for health savings accounts?

Yes [ ] No [ X ]

2.2

If yes, please provide the amount of custodial funds held as of the reporting date

\$.0

2.3

Do you act as an administrator for health savings accounts?

Yes [ ] No [ X ]

2.4

If yes, please provide the balance of the funds administered as of the reporting date

\$.0

3.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes [ X ] No [ ]

3.1

If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?

Yes [ ] No [ ]



SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1	2	3	4	5	6	7	8	9
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Reinsurer	Certified Reinsurer Rating (1 through 6)	Effective Date of Certified Reinsurer Rating
NONE								

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

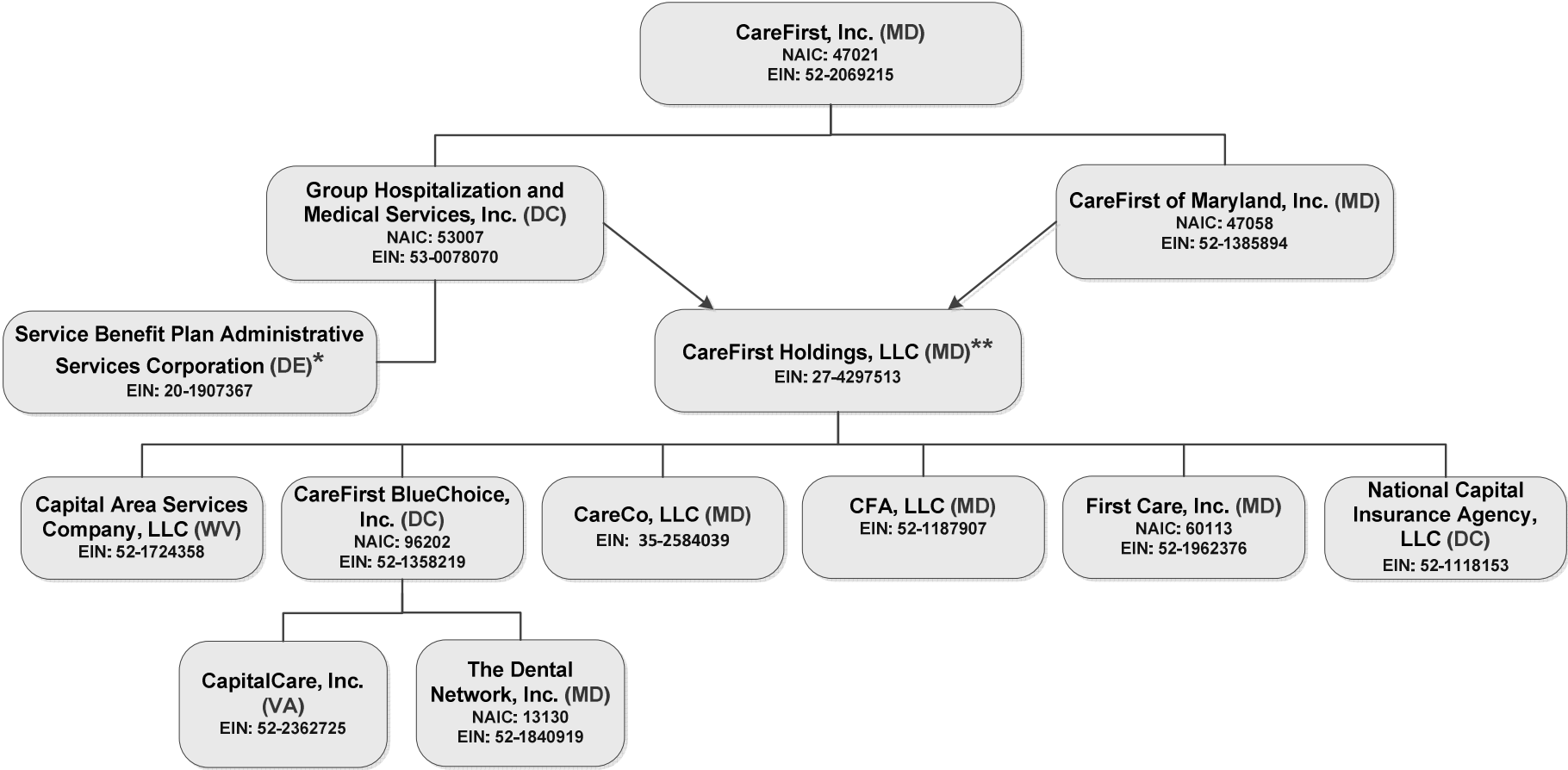
Current Year to Date - Allocated by States and Territories

		1	Direct Business Only							
		Active Status (a)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
States, etc.										
1.	Alabama .....	AL	N	0	0	0	0	0	0	0
2.	Alaska .....	AK	N	0	0	0	0	0	0	0
3.	Arizona .....	AZ	N	0	0	0	0	0	0	0
4.	Arkansas .....	AR	N	0	0	0	0	0	0	0
5.	California .....	CA	N	0	0	0	0	0	0	0
6.	Colorado .....	CO	N	0	0	0	0	0	0	0
7.	Connecticut .....	CT	N	0	0	0	0	0	0	0
8.	Delaware .....	DE	N	0	0	0	0	0	0	0
9.	District of Columbia .....	DC	L	380,359,725	0	0	310,622,885	0	690,982,610	0
10.	Florida .....	FL	N	0	0	0	0	0	0	0
11.	Georgia .....	GA	N	0	0	0	0	0	0	0
12.	Hawaii .....	HI	N	0	0	0	0	0	0	0
13.	Idaho .....	ID	N	0	0	0	0	0	0	0
14.	Illinois .....	IL	N	0	0	0	0	0	0	0
15.	Indiana .....	IN	N	0	0	0	0	0	0	0
16.	Iowa .....	IA	N	0	0	0	0	0	0	0
17.	Kansas .....	KS	N	0	0	0	0	0	0	0
18.	Kentucky .....	KY	N	0	0	0	0	0	0	0
19.	Louisiana .....	LA	N	0	0	0	0	0	0	0
20.	Maine .....	ME	N	0	0	0	0	0	0	0
21.	Maryland .....	MD	L	269,248,270	0	0	712,987,270	0	982,235,540	0
22.	Massachusetts .....	MA	N	0	0	0	0	0	0	0
23.	Michigan .....	MI	N	0	0	0	0	0	0	0
24.	Minnesota .....	MN	N	0	0	0	0	0	0	0
25.	Mississippi .....	MS	N	0	0	0	0	0	0	0
26.	Missouri .....	MO	N	0	0	0	0	0	0	0
27.	Montana .....	MT	N	0	0	0	0	0	0	0
28.	Nebraska .....	NE	N	0	0	0	0	0	0	0
29.	Nevada .....	NV	N	0	0	0	0	0	0	0
30.	New Hampshire .....	NH	N	0	0	0	0	0	0	0
31.	New Jersey .....	NJ	N	0	0	0	0	0	0	0
32.	New Mexico .....	NM	N	0	0	0	0	0	0	0
33.	New York .....	NY	N	0	0	0	0	0	0	0
34.	North Carolina .....	NC	N	0	0	0	0	0	0	0
35.	North Dakota .....	ND	N	0	0	0	0	0	0	0
36.	Ohio .....	OH	N	0	0	0	0	0	0	0
37.	Oklahoma .....	OK	N	0	0	0	0	0	0	0
38.	Oregon .....	OR	N	0	0	0	0	0	0	0
39.	Pennsylvania .....	PA	N	0	0	0	0	0	0	0
40.	Rhode Island .....	RI	N	0	0	0	0	0	0	0
41.	South Carolina .....	SC	N	0	0	0	0	0	0	0
42.	South Dakota .....	SD	N	0	0	0	0	0	0	0
43.	Tennessee .....	TN	N	0	0	0	0	0	0	0
44.	Texas .....	TX	N	0	0	0	0	0	0	0
45.	Utah .....	UT	N	0	0	0	0	0	0	0
46.	Vermont .....	VT	N	0	0	0	0	0	0	0
47.	Virginia .....	VA	L	280,569,749	0	0	554,545,655	0	835,115,403	0
48.	Washington .....	WA	N	0	0	0	0	0	0	0
49.	West Virginia .....	WV	N	0	0	0	0	0	0	0
50.	Wisconsin .....	WI	N	0	0	0	0	0	0	0
51.	Wyoming .....	WY	N	0	0	0	0	0	0	0
52.	American Samoa .....	AS	N	0	0	0	0	0	0	0
53.	Guam .....	GU	N	0	0	0	0	0	0	0
54.	Puerto Rico .....	PR	N	0	0	0	0	0	0	0
55.	U.S. Virgin Islands .....	VI	N	0	0	0	0	0	0	0
56.	Northern Mariana Islands .....	MP	N	0	0	0	0	0	0	0
57.	Canada .....	CAN	N	0	0	0	0	0	0	0
58.	Aggregate Other Aliens .....	OT	XXX	0	0	0	0	0	0	0
59.	Subtotal .....	XXX	930,177,744	0	0	1,578,155,810	0	0	2,508,333,554	0
60.	Reporting Entity Contributions for Employee Benefit Plans .....	XXX	0	0	0	0	0	0	0	0
61.	Totals (Direct Business) .....	XXX	930,177,744	0	0	1,578,155,810	0	0	2,508,333,554	0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts:  
L - Licensed or Chartered - Licensed Insurance carrier or domiciled RRG.....3      R - Registered - Non-domiciled RRGs.....0  
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0      Q - Qualified - Qualified or accredited reinsurer.....0  
N - None of the above - Not allowed to write business in the state.....54

Enrollment and billing systems capture and report premiums by group situs except for Federal Employees Health Benefits Program (FEHBP). FEHBP premiums from members residing in the United States are reported based on the members' residence whereas premiums from overseas members are reported in D.C.The D.C. Accident & Health Premiums above include premiums from Medicare Supplement, Stop Loss, and the Federal Employees Dental/Vision Program (FEDVIP) of \$2,578,404, \$2,496,518 and \$15,904,378 respectively.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART



\*Service Benefit Plan Administrative Services Corporation is owned 90% by Group Hospitalization and Medical Services, Inc. and 10% by the Blue Cross and Blue Shield Association.

\*\*CareFirst Holdings, LLC is owned 50.001% by CareFirst of Maryland, Inc. and 49.999% by Group Hospitalization and Medical Services, Inc.

**SCHEDULE Y**  
**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

Asterisk	Explanation
N/A	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? .....

NO

Explanation:

1.

Bar Code:

1. Medicare Part D Coverage Supplement [Document Identifier 365]



OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Liabilities Line 23

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
2304.	Contingent Liability Reserve .....	1,261,060	0	1,261,060	1,277,727
2305.	Tax Contingency Reserve .....	601,455	0	601,455	1,233,530
2306.	Other Liabilities .....	4,586,427	0	4,586,427	4,280,216
2397.	Summary of remaining write-ins for Line 23 from overflow page	6,448,942	0	6,448,942	6,791,473

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other than temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and mortgage interest paid and commitment fees .....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		
10. Deduct current year's other than temporary impairment recognized .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....		
12. Total valuation allowance .....		
13. Subtotal (Line 11 plus Line 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	456,279,372	453,240,094
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....	0	633,698
2.2 Additional investment made after acquisition .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	3	0
5. Unrealized valuation increase (decrease) .....	31,715,777	2,405,580
6. Total gain (loss) on disposals .....	19,048	0
7. Deduct amounts received on disposals .....	652,749	0
8. Deduct amortization of premium and depreciation .....	0	0
9. Total foreign exchange change in book/adjusted carrying value .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	487,361,451	456,279,372
12. Deduct total nonadmitted amounts .....	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12)	487,194,784	456,112,705

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	501,932,216	524,760,321
2. Cost of bonds and stocks acquired .....	450,016,030	612,856,627
3. Accrual of discount .....	175,530	158,846
4. Unrealized valuation increase (decrease) .....	(5,949,896)	2,220,433
5. Total gain (loss) on disposals .....	5,888,566	10,697,332
6. Deduct consideration for bonds and stocks disposed of .....	403,281,126	646,672,392
7. Deduct amortization of premium .....	1,188,814	2,088,951
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....	53,552	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10) .....	547,646,058	501,932,216
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	547,646,058	501,932,216

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a) .....	461,326,379	77,349,330	176,177,725	(629,605)	504,441,147	461,326,379	361,868,379	412,948,787
2. NAIC 2 (a) .....	73,663,328	4,236,700	1,010,807	(143,912)	76,296,561	73,663,328	76,745,309	97,587,540
3. NAIC 3 (a) .....	0	0	0	914,825	279,785	0	914,825	1,112,919
4. NAIC 4 (a) .....	489,740	0	0	(489,740)	491,637	489,740	0	608,836
5. NAIC 5 (a) .....	0	0	0	0	0	0	0	0
6. NAIC 6 (a) .....	0	0	0	0	0	0	0	0
7. Total Bonds	535,479,447	81,586,030	177,188,532	(348,432)	581,509,130	535,479,447	439,528,513	512,258,082
PREFERRED STOCK								
8. NAIC 1 .....	0	0	0	0	0	0	0	0
9. NAIC 2 .....	0	0	0	0	0	0	0	0
10. NAIC 3 .....	0	0	0	0	0	0	0	0
11. NAIC 4 .....	0	0	0	0	0	0	0	0
12. NAIC 5 .....	0	0	0	0	0	0	0	0
13. NAIC 6 .....	0	0	0	0	0	0	0	0
14. Total Preferred Stock .....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	535,479,447	81,586,030	177,188,532	(348,432)	581,509,130	535,479,447	439,528,513	512,258,082

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$ .....19,095,007 ; NAIC 2 \$ .....1,751,446 ; NAIC 3 \$ .....0 NAIC 4 \$ .....0 ; NAIC 5 \$ .....0 ; NAIC 6 \$ .....0



SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	5,878,781	xxx	5,873,093	51,794	6,854

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	106,589,114	83,730,498
2. Cost of short-term investments acquired .....	8,557,000	480,588,959
3. Accrual of discount .....	19,048	155
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals .....	(3,500)	(141)
6. Deduct consideration received on disposals .....	109,269,843	457,705,054
7. Deduct amortization of premium .....	13,038	25,303
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	5,878,781	106,589,114
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	5,878,781	106,589,114

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

**N O N E**

Schedule DB - Part B - Verification - Futures Contracts

**N O N E**

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

**N O N E**

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

**N O N E**

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of  
Derivatives

**N O N E**

SCHEDULE E - PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	59,580,390	0
2. Cost of cash equivalents acquired .....	531,487,026	196,519,700
3. Accrual of discount .....	0	0
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals .....	0	0
6. Deduct consideration received on disposals .....	454,582,878	136,939,310
7. Deduct amortization of premium .....	0	0
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	136,484,538	59,580,390
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	136,484,538	59,580,390

Schedule A - Part 2 - Real Estate Acquired and Additions Made

**N O N E**

Schedule A - Part 3 - Real Estate Disposed

**N O N E**

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

**N O N E**

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

**N O N E**

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made

**N O N E**

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

**N O N E**

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
3622A2-KK-3	GNMA PASS-THRU C PLATINUM 30YR		.07/12/2018	Goldman Sachs & Co		190,693	189,951	.332	1
3622A3-BB-8	GNMA PASS-THRU C PLATINUM 30YR		.09/01/2018	BANC AMERICA SECURITIES LLC		21,080	20,541	.43	1
3617G8-SD-1	GNMA PASS-THRU C SINGLE FAMILY		.08/16/2018	NOMURA SECURITIES/FIX INCOME		28,412	26,647	.74	1
3617G9-FT-3	GNMA PASS-THRU C SINGLE FAMILY		.08/16/2018	NOMURA SECURITIES/FIX INCOME		32,993	30,943	.86	1
3617GN-FJ-4	GNMA PASS-THRU C SINGLE FAMILY		.07/26/2018	Mesirow Financial		53,266	50,000	.201	1
3617GP-TC-9	GNMA PASS-THRU C SINGLE FAMILY		.09/07/2018	MESIROW FINANCIAL INC.		58,536	55,000	.145	1
36179T-XK-6	GNMA PASS-THRU M JUMBO FHA		.09/01/2018	GOLDMAN, SACHS & CO.		9,992	9,868	.21	1
36179T-7M-1	GNMA PASS-THRU M SINGLE FAMILY		.09/17/2018	VARIOUS		918,927	876,557	2,313	1
36179T-UD-5	GNMA PASS-THRU M SINGLE FAMILY		.07/13/2018	JP Morgan Securities, Inc		842,748	801,743	2,004	1
36179T-XY-8	GNMA PASS-THRU M SINGLE FAMILY		.08/09/2018	JP MORGAN SECURITIES INC		94,744	90,045	.250	1
36179T-XY-6	GNMA PASS-THRU M SINGLE FAMILY		.08/01/2018	JP MORGAN SECURITIES INC		260,291	246,320	.753	1
38380L-FG-3	GNMA REMIC TRUST 2018-H11		.07/09/2018	Kaib, Voorhis & Co.		1,048,599	1,053,000	.828	1
912810-QA-9	UNITED STATES TREAS BDS		.08/01/2018	GOLDMAN, SACHS & CO.		214,203	200,000	3,229	1
912810-SA-7	UNITED STATES TREAS BDS		.09/11/2018	VARIOUS		5,775,321	5,730,000	64,709	1
912810-SC-3	UNITED STATES TREAS BDS		.09/10/2018	VARIOUS		11,733,965	11,500,000	92,009	1
912810-SD-1	UNITED STATES TREAS BDS		.09/12/2018	LINSCO/PRIVATE LEDGER CORP. RE		6,377,109	6,500,000	15,367	1
912828-4N-7	UNITED STATES TREAS NTS		.08/01/2018	VARIOUS		1,496,162	1,500,000	8,027	1
912828-4X-5	UNITED STATES TREAS NTS		.09/01/2018	NOMURA SECURITIES/FIX INCOME		1,000,898	1,000,000	.304	1
912828-YA-6	UNITED STATES TREAS NTS		.09/05/2018	VARIOUS		499,707	500,000	1,220	1
0599999. Subtotal - Bonds - U.S. Governments						30,657,646	30,380,615	191,915	XXX
93974D-50-7	WASHINGTON ST		.09/01/2018	BANCROFT CAPITAL,LLC		2,000,000	2,000,000	.0	1FE
1799999. Subtotal - Bonds - U.S. States, Territories and Possessions						2,000,000	2,000,000	0	XXX
3132XW-TP-6	FHLMC PC GOLD PC 30YR		.08/06/2018	FIRST TENN BANK,N.A.-BOND D		2,214,323	2,228,951	2,600	1
3132XY-VD-6	FHLMC PC GOLD PC 30YR		.08/01/2018	BAIRD, ROBERT W. & CO INC		2,285,506	2,199,254	3,299	1
31418C-VA-9	FNMA PASS-THRU INT 20 YEAR		.09/19/2018	VARIOUS		154,840	160,398	.267	1
3140HL-JP-2	FNMA PASS-THRU LNG 30 YEAR		.07/26/2018	Mesirow Financial		53,206	49,944	.201	1
3140HM-JY-1	FNMA PASS-THRU LNG 30 YEAR		.08/02/2018	BAIRD, ROBERT W. & CO INC		2,264,906	2,228,690	2,972	1
3140J5-L6-4	FNMA PASS-THRU LNG 30 YEAR		.09/01/2018	BANC AMERICA SECURITIES LLC		166,256	158,315	.237	1
3140J7-HP-7	FNMA PASS-THRU LNG 30 YEAR		.08/09/2018	RBC CAPITAL MARKETS CORP		22,069	22,211	.26	1
3140J7-QA-6	FNMA PASS-THRU LNG 30 YEAR		.09/01/2018	MELLON BANK/CAPITAL MKTS INVE		97,133	92,673	.139	1
3140J8-ET-6	FNMA PASS-THRU LNG 30 YEAR		.08/01/2018	BANC AMERICA SECURITIES LLC		552,110	568,636	.569	1
3140J8-ZH-9	FNMA PASS-THRU LNG 30 YEAR		.09/01/2018	CREDIT SUISSE FIRST BOSTON COR		225,552	214,931	.322	1
314008-3V-5	FNMA PASS-THRU LNG 30 YEAR		.09/01/2018	BANC AMERICA SECURITIES LLC		208,418	200,643	.301	1
31418C-GE-8	FNMA PASS-THRU LNG 30 YEAR		.08/09/2018	RBC CAPITAL MARKETS CORP		82,563	83,096	.97	1
31418C-NE-0	FNMA PASS-THRU LNG 30 YEAR		.08/09/2018	JP MORGAN SECURITIES INC		157,928	154,974	.207	1
31418C-XN-9	FNMA PASS-THRU LNG 30 YEAR		.09/01/2018	PIERPOINT SECURITIES LLC		826,645	810,654	1,081	1
31418C-XP-4	FNMA PASS-THRU LNG 30 YEAR		.08/09/2018	SALOMON SMITH BARNEY INC/SAL		51,925	49,973	.75	1
31418C-YM-0	FNMA PASS-THRU LNG 30 YEAR		.09/01/2018	VARIOUS		69,983	68,658	.92	1
3136B2-RL-8	FNMA REMIC TRUST 2018-47		.09/12/2018	BAIRD, ROBERT W. & CO INC		1,398,591	1,419,890	1,893	1
38376U-FZ-7	GNMA REMIC TRUST 2017-066		.08/01/2018	LPL FINANCIAL CORPORATION		1,732,531	1,788,131	.0	1
38376R-S5-6	GNMA REMIC TRUST 2017-H03		.08/14/2018	SALOMON SMITH BARNEY INC/SAL		624,791	622,990	1,056	1
3199999. Subtotal - Bonds - U.S. Special Revenues						13,189,276	13,123,012	15,434	XXX
07274N-AE-3	BAYER US FIN II LLC		.08/13/2018	HSBC SECURITIES, INC.		550,762	550,000	1,924	2FE
05565E-BA-2	BMW US CAP LLC		.08/07/2018	GOLDMAN, SACHS & CO.		365,000	365,000	.0	1FE
05565E-BC-8	BMW US CAP LLC		.08/07/2018	GOLDMAN, SACHS & CO.		149,847	150,000	.0	1FE
12572Q-AJ-4	CME GROUP INC		.08/01/2018	STIFEL, NICOLAUS & CO., INC.		1,867,686	1,850,000	8,094	1FE
126650-CV-0	CVS HEALTH CORP		.08/09/2018	BNP PARIBAS SECURITIES BOND		274,948	275,000	4,353	2FE
31410H-AQ-4	FEDERATED DEPT STORES INC DEL		.07/26/2018	SUNTRUST CAPITAL		271,045	250,000	5,702	2FE
31677Q-BN-8	FIFTH THIRD BK C IN OHIO MTN BE		.07/23/2018	Various		324,919	325,000	.0	1FE
345397-ZH-9	FORD MOTOR CREDIT CO LLC		.08/15/2018	VARIOUS		525,270	525,000	.233	2FE
40573L-AL-0	HALFMOON PARENT INC SR GLBL 144A		.09/12/2018	MORGAN STANLEY		424,259	425,000	.0	2FE
43789A-AA-2	HOMEWARD OPPT FUND TR 2018-1		.08/01/2018	CREDIT SUISSE FIRST BOSTON COR		124,999	125,000	.418	1FE
59166D-AA-5	METLIFE SEC TR 2018-1		.08/14/2018	CREDIT SUISSE FIRST BOSTON COR		320,587	320,000	.533	1FE
63940L-AC-8	NAVIENT STUDENT LN TR 2016-6		.09/20/2018	CREDIT SUISSE FIRST BOSTON COR		1,452,063	1,400,000	3,664	1FE
65339K-AQ-3	NEXTERA ENERGY CAP HLDGS INC		.08/06/2018	BARCLAYS CAPITAL INC		320,912	320,000	.0	2FE
81747L-AL-5	SEQUOIA MTG TR 2018-CH4 144A		.09/20/2018	WACHOVIA SECURITIES CAPITAL		321,975	320,000	.960	1FE
913017-DA-4	UNITED TECHNOLOGIES CORP		.08/13/2018	MORGAN STANLEY & CO. INC		99,878	100,000	.0	2FE
913017-DB-2	UNITED TECHNOLOGIES CORP		.08/13/2018	MORGAN STANLEY		399,964	400,000	.0	2FE
94988J-SR-4	WELLS FARGO BANK NATL ASSN		.08/17/2018	VARIOUS		525,160	525,000	.138	1FE
056752-AK-4	BAIDU INC SR GLBL NT 23	C.	.08/01/2018	M LYNCH,PIERCE,FENNER,& SMITH		268,126	270,000	3,575	1FE
29278G-AJ-7	ENEL FIN INTL N.V. SR GLBL 144A 25	C.	.09/11/2018	CHASE SECURITIES, INC.		198,738	200,000	.0	2FE
404280-BB-7	HSBC HLDGS PLC	C.	.09/14/2018	HSBC SECURITIES, INC.		274,258	275,000	3,621	1FE

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
539439-AS-8	LLOYDS BANKING GROUP PLC	C	.08/09/2018	DEUTSCHE BANK SECURITIES INC		274,852	275,000	.0	1FE
606822-AW-4	DAI-ICHI MITSUBISHI UFJ FINL GROUP INC	C	.07/17/2018	MITSUBISHI UFJ FINL		280,000	280,000	.0	1FE
62856R-AC-9	MYRIAD INTL HLDGS B V SR 144A	C	.08/07/2018	BARCLAYS CAPITAL INC		365,313	350,000	.963	2FE
780097-BD-2	ROYAL BK SCOTLAND GROUP PLC	C	.07/24/2018	RBC CAPITAL MARKETS		805,613	825,000	.11,899	2FE
8399999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						10,786,174	10,700,000	46,077	XXX
8399997. Total - Bonds - Part 3						56,633,096	56,203,627	253,426	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						56,633,096	56,203,627	253,426	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
922908-65-2	VANGUARD EXTENDED MARKET ETF		.09/25/2018	LINSCO/PRIVATE LEDGER CORP. RE	23,436.000	2,903,252		.0	L
922031-74-5	VANGUARD FIXED INCOME SECS FD		.09/24/2018	VANGUARD GROUP	22,864.060	232,070		.0	L
921943-85-8	VANGUARD FTSE DEVELOPED MKTS ETF		.09/25/2018	LINSCO/PRIVATE LEDGER CORP. RE	66,103.000	2,903,242		.0	L
9299999. Subtotal - Common Stocks - Mutual Funds						6,038,564	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						6,038,564	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						6,038,564	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						6,038,564	XXX	0	XXX
9999999 - Totals						62,671,660	XXX	253,426	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Other Than Temporary Impairment Recogn- ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con- tractual Maturity Date	NAIC Design- ation or Market In- dicator (a)
30250U-AA-5	FDIC GUAR NTS TR 2010-S4		09/04/2018	PRINCIPAL RECEIPT		85,895	85,895	86,432	0	0	(537)	0	(537)	0	85,895	0	0	0	165	12/04/2020	1
3622A2-6K-3	GNMA PASS-THRU C PLATINUM 30YR		09/20/2018	PRINCIPAL RECEIPT		1,820	1,820	1,827	0	0	(7)	0	(7)	0	1,820	0	0	0	8	02/20/2048	1
3622A2-TA-0	GNMA PASS-THRU C PLATINUM 30YR		09/20/2018	PRINCIPAL RECEIPT		6,290	6,290	6,669	6,678	0	(388)	0	(388)	0	6,290	0	0	0	148	02/20/2046	1
3617A9-KW-6	GNMA PASS-THRU C SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		1,374	1,374	1,453	1,450	0	(77)	0	(77)	0	1,374	0	0	0	32	10/20/2045	1
3617G8-S0-1	GNMA PASS-THRU C SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		30	30	32	0	0	(2)	0	(2)	0	30	0	0	0	0	05/20/2048	1
3617G9-FT-3	GNMA PASS-THRU C SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		36	36	39	0	0	(2)	0	(2)	0	36	0	0	0	0	06/20/2048	1
3617GN-FJ-4	GNMA PASS-THRU C SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		119	119	127	0	0	(8)	0	(8)	0	119	0	0	0	1	07/20/2048	1
36183E-ZE-5	GNMA PASS-THRU C SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		115	115	122	122	0	(7)	0	(7)	0	115	0	0	0	3	10/20/2044	1
36189M-BR-8	GNMA PASS-THRU C SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		1,530	1,530	1,618	1,616	0	(86)	0	(86)	0	1,530	0	0	0	36	10/20/2045	1
36193E-PR-5	GNMA PASS-THRU C SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		3,851	3,851	4,102	4,096	0	(245)	0	(245)	0	3,851	0	0	0	86	02/20/2046	1
36193U-CX-0	GNMA PASS-THRU C SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		1,090	1,090	1,164	1,162	0	(72)	0	(72)	0	1,090	0	0	0	23	05/20/2046	1
36193V-FR-8	GNMA PASS-THRU C SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		215	215	230	230	0	(14)	0	(14)	0	215	0	0	0	5	05/20/2046	1
3622A2-D7-4	GNMA PASS-THRU M PLATINUM 30YR		09/20/2018	PRINCIPAL RECEIPT		1,877	1,877	1,934	1,932	0	(55)	0	(55)	0	1,877	0	0	0	43	03/20/2043	1
36179M-CZ-1	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		3,859	3,859	4,074	4,077	0	(219)	0	(219)	0	3,859	0	0	0	90	05/20/2042	1
36179M-E3-0	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		5,098	5,098	5,369	5,376	0	(279)	0	(279)	0	5,098	0	0	0	119	06/20/2042	1
36179M-K7-4	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		3,032	3,032	3,138	3,133	0	(102)	0	(102)	0	3,032	0	0	0	71	08/20/2042	1
36179M-NH-9	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		3,738	3,738	4,077	4,056	0	(318)	0	(318)	0	3,738	0	0	0	84	09/20/2042	1
36179M-S2-7	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		3,957	3,957	4,303	4,296	0	(339)	0	(339)	0	3,957	0	0	0	128	11/20/2042	1
36179M-VS-6	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		1,350	1,350	1,426	1,425	0	(75)	0	(75)	0	1,350	0	0	0	32	12/20/2042	1
36179M-X2-1	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		5,249	5,249	4,955	4,972	0	277	0	277	0	5,249	0	0	0	88	01/20/2043	1
36179M-Y4-7	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		1,708	1,708	1,803	1,800	0	(92)	0	(92)	0	1,708	0	0	0	40	01/20/2043	1
36179N-DQ-8	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		18,247	18,247	18,367	18,359	0	(112)	0	(112)	0	18,247	0	0	0	365	05/20/2043	1
36179N-JA-7	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		4,444	4,444	4,681	4,676	0	(232)	0	(232)	0	4,444	0	0	0	104	07/20/2043	1
36179N-NA-2	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		9,951	9,951	10,463	10,477	0	(526)	0	(526)	0	9,951	0	0	0	232	09/20/2043	1
36179R-JE-0	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		8,234	8,234	8,604	8,615	0	(381)	0	(381)	0	8,234	0	0	0	214	07/20/2045	1
36179S-BM-5	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	VARIOUS		850,776	830,290	854,733	0	0	(4,255)	0	(4,255)	0	850,479	0	298	298	20,978	05/20/2047	1
36179S-B9-7	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		5,952	5,952	6,366	6,380	0	(428)	0	(428)	0	5,952	0	0	0	160	05/20/2046	1
36179S-JS-7	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		11,041	11,041	11,604	11,592	0	(552)	0	(552)	0	11,041	0	0	0	221	07/20/2046	1
36179S-JV-0	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		7,441	7,441	7,960	7,963	0	(522)	0	(522)	0	7,441	0	0	0	222	08/20/2046	1
36179S-LQ-8	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		10,226	10,226	9,955	0	0	272	0	272	0	10,226	0	0	0	150	09/20/2046	1
36179S-UX-3	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		1,437	1,437	1,529	1,529	0	(92)	0	(92)	0	1,437	0	0	0	43	01/20/2047	1
36179S-YU-5	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		1,507	1,507	1,597	1,597	0	(89)	0	(89)	0	1,507	0	0	0	46	03/20/2047	1
36179T-CW-3	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		15,253	15,253	14,888	0	0	365	0	365	0	15,253	0	0	0	116	07/20/2047	1
36179T-CY-9	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		7,355	7,355	7,663	0	0	(308)	0	(308)	0	7,355	0	0	0	246	07/20/2047	1
36179T-CZ-6	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		9,835	9,835	10,241	0	0	(406)	0	(406)	0	9,835	0	0	0	186	07/20/2047	1
36179T-E2-7	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	VARIOUS		248,295	242,590	255,174	255,138	0	(1,639)	0	(1,639)	0	253,499	0	(5,204)	(5,204)	5,991	08/20/2047	1
36179T-E3-5	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		8,007	8,007	8,531	8,531	0	(524)	0	(524)	0	8,007	0	0	0	241	08/20/2047	1
36179T-E4-3	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		3,612	3,612	3,878	3,878	0	(266)	0	(266)	0	3,612	0	0	0	121	08/20/2047	1
36179T-G6-6	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		25,778	25,778	27,547	27,549	0	(1,771)	0	(1,771)	0	25,778	0	0	0	807	09/20/2047	1
36179T-G7-4	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		13,571	13,571	14,585	14,583	0	(1,013)	0	(1,013)	0	13,571	0	0	0	451	09/20/2047	1
36179T-J2-2	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		1,763	1,763	1,896	1,896	0	(133)	0	(133)	0	1,763	0	0	0	58	10/20/2047	1
36179T-LV-5	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		11,600	11,600	12,358	0	0	(758)	0	(758)	0	11,600	0	0	0	343	11/20/2047	1
36179T-NU-5	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		22,273	22,273	23,464	0	0	(1,190)	0	(1,190)	0	22,273	0	0	0	385	12/20/2047	1
36179T-QN-8	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		1,705	1,705	1,669	0	0	36	0	36	0	1,705	0	0	0	21	01/20/2048	1
36179T-QS-7	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	PRINCIPAL RECEIPT		12,865	12,865	13,713	0	0	(848)	0	(848)	0	12,865	0	0	0	405	01/20/2048	1
36179T-UC-7	GNMA PASS-THRU M SINGLE FAMILY		09/20/2018	VARIOUS																	

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity Date	NAIC Desig-nation or Market In-dicator (a)
36241L-UE-4	GNMA PASS-THRU X PLATINUM 30YR		09/15/2018	PRINCIPAL RECEIPT		1,768	1,768	1,917	1,913	.0	(145)	.0	(145)	.0	1,768	.0	.0	.0	.48	07/15/2040	1
36181B-V5-6	GNMA PASS-THRU X SINGLE FAMILY		09/15/2018	PRINCIPAL RECEIPT		1,953	1,953	2,065	2,062	.0	(109)	.0	(109)	.0	1,953	.0	.0	.0	.45	10/15/2043	1
3620AA-TP-3	GNMA PASS-THRU X SINGLE FAMILY		09/15/2018	PRINCIPAL RECEIPT		9,700	9,700	10,522	10,509	.0	(809)	.0	(809)	.0	9,700	.0	.0	.0	.271	09/15/2039	1
3620AM-ET-5	GNMA PASS-THRU X SINGLE FAMILY		09/15/2018	VARIOUS		170,565	162,672	176,499	176,266	.0	(617)	.0	(617)	.0	175,649	.0	(5,084)	(5,084)	5,895	06/15/2040	1
36297F-YY-2	GNMA PASS-THRU X SINGLE FAMILY		09/15/2018	PRINCIPAL RECEIPT		9,602	9,602	10,731	10,713	.0	(1,111)	.0	(1,111)	.0	9,602	.0	.0	.0	.319	10/15/2039	1
38376G-CK-4	GNMA REMIC TRUST 2009-119		09/16/2018	PRINCIPAL RECEIPT		6,506	6,506	6,675	6,670	.0	(164)	.0	(164)	.0	6,506	.0	.0	.0	.172	09/16/2044	1
38376G-JA-9	GNMA REMIC TRUST 2010-49		09/16/2018	PRINCIPAL RECEIPT		232,847	232,847	239,169	239,016	.0	(6,169)	.0	(6,169)	.0	232,847	.0	.0	.0	6,993	10/16/2052	1
38378B-E2-1	GNMA REMIC TRUST 2012-114		09/16/2018	PRINCIPAL RECEIPT		3,144	3,144	3,059	3,059	.0	85	.0	85	.0	3,144	.0	.0	.0	.39	01/16/2053	1
38378K-J6-7	GNMA REMIC TRUST 2013-126		09/16/2018	PRINCIPAL RECEIPT		43,267	43,267	44,698	44,513	.0	(1,246)	.0	(1,246)	.0	43,267	.0	.0	.0	.714	10/16/2047	1
38378K-4S-5	GNMA REMIC TRUST 2013-141		09/16/2018	PRINCIPAL RECEIPT		41,068	41,068	42,886	42,741	.0	(1,673)	.0	(1,673)	.0	41,068	.0	.0	.0	.742	02/16/2052	1
38378N-CE-1	GNMA REMIC TRUST 2013-155		09/16/2018	PRINCIPAL RECEIPT		22,096	22,096	22,441	22,421	.0	(325)	.0	(325)	.0	22,096	.0	.0	.0	.376	09/16/2053	1
38378N-JA-2	GNMA REMIC TRUST 2013-178		09/16/2018	PRINCIPAL RECEIPT		8,307	8,307	8,348	8,347	.0	(40)	.0	(40)	.0	8,307	.0	.0	.0	.115	03/16/2035	1
38378K-SZ-3	GNMA REMIC TRUST 2013-94		09/16/2018	PRINCIPAL RECEIPT		11,295	11,295	11,110	11,123	.0	172	.0	172	.0	11,295	.0	.0	.0	.145	03/16/2054	1
38378X-GF-2	GNMA REMIC TRUST 2014-109		09/16/2018	PRINCIPAL RECEIPT		25,031	25,031	25,500	25,452	.0	(421)	.0	(421)	.0	25,031	.0	.0	.0	.347	01/16/2046	1
38378X-P4-7	GNMA REMIC TRUST 2014-166		09/16/2018	PRINCIPAL RECEIPT		102,451	102,451	105,300	104,987	.0	(2,536)	.0	(2,536)	.0	102,451	.0	.0	.0	1,677	07/16/2051	1
38378N-2R-3	GNMA REMIC TRUST 2014-67		09/16/2018	PRINCIPAL RECEIPT		5,321	5,321	5,336	5,335	.0	(15)	.0	(15)	.0	5,321	.0	.0	.0	.70	05/16/2039	1
38379K-FL-7	GNMA REMIC TRUST 2015-37		09/16/2018	PRINCIPAL RECEIPT		17,998	17,998	18,167	18,165	.0	(167)	.0	(167)	.0	17,998	.0	.0	.0	.255	02/16/2055	1
38379R-Y9-8	GNMA REMIC TRUST 2017-128		09/16/2018	PRINCIPAL RECEIPT		10,057	10,057	10,038	10,039	.0	18	.0	18	.0	10,057	.0	.0	.0	.156	05/16/2051	1
38380H-SW-8	GNMA REMIC TRUST 2017-184		09/20/2018	PRINCIPAL RECEIPT		2,519	2,519	2,534	.0	(15)	.0	(15)	.0	2,519	.0	.0	.0	.38	12/20/2047	1	
38380U-PK-3	GNMA REMIC TRUST 2018-008		09/20/2018	PRINCIPAL RECEIPT		1,902	1,902	1,910	.0	(8)	.0	(8)	.0	1,902	.0	.0	.0	.31	11/20/2047	1	
38380U-SV-6	GNMA REMIC TRUST 2018-015		08/20/2018	VARIOUS		1,909,348	1,944,335	1,937,652	.0	.0	236	.0	236	.0	1,937,888	.0	(28,540)	(28,540)	15,047	01/20/2043	1
38380L-FG-3	GNMA REMIC TRUST 2018-H11		09/20/2018	PRINCIPAL RECEIPT		21,380	21,380	21,290	.0	.0	89	.0	89	.0	21,380	.0	.0	.0	.74	02/20/2068	1
83162C-LT-8	SMALL BUS ADMIN GTD DEV PTC		09/01/2018	MERRILL LYNCH		10,475	10,475	11,182	10,475	.0	.0	.0	.0	.0	10,475	.0	.0	.0	.387	09/01/2021	1
83162C-KM-4	SMALL BUSINESS ADMIN GTD 00-20A		07/01/2018	PRINCIPAL RECEIPT		788	788	788	788	.0	.0	.0	.0	.0	788	.0	.0	.0	.49	01/01/2020	1
				LINSCO/PRIVATE LEDGER																	
912810-SA-7	UNITED STATES TREAS BDS		07/02/2018	CORP. RE		1,001,875	1,000,000	1,004,336	.0	.0	(1)	.0	(1)	.0	1,004,335	.0	(2,460)	(2,460)	11,436	02/15/2048	1
912810-SC-3	UNITED STATES TREAS BDS		09/17/2018	BANCROFT CAPITAL,LLC		6,469,531	6,500,000	6,698,223	.0	.0	(713)	.0	(713)	.0	6,697,510	.0	(227,978)	(227,978)	69,548	05/15/2048	1
912828-2C-3	UNITED STATES TREAS NTS		08/31/2018	MATURITY		125,000	125,000	125,054	125,018	.0	(18)	.0	(18)	.0	125,000	.0	.0	.0	.938	08/31/2018	1
				LINSCO/PRIVATE LEDGER																	
912828-3F-5	UNITED STATES TREAS NTS		07/06/2018	CORP. RE		6,669,688	7,000,000	6,687,188	.0	.0	2,977	.0	2,977	.0	6,690,164	.0	(20,477)	(20,477)	23,539	11/15/2027	1
912828-3N-8	UNITED STATES TREAS NTS		08/14/2018	VARIOUS		817,147	825,000	820,714	.0	.0	1,102	.0	1,102	.0	821,816	.0	(4,668)	(4,668)	9,170	12/31/2019	1
912828-3Q-1	UNITED STATES TREAS NTS		08/09/2018	VARIOUS		1,912,281	1,945,000	1,931,411	.0	.0	2,144	.0	2,144	.0	1,933,555	.0	(21,273)	(21,273)	21,929	01/15/2021	1
912828-3S-7	UNITED STATES TREAS NTS		09/12/2018	VARIOUS		2,380,366	2,400,000	2,389,594	.0	.0	2,690	.0	2,690	.0	2,392,284	.0	(11,918)	(11,918)	27,701	01/31/2020	1
912828-4F-4	UNITED STATES TREAS NTS		07/03/2018	BANCROFT CAPITAL,LLC		7,415,625	7,500,000	7,419,727	.0	.0	177	.0	177	.0	7,419,904	.0	(4,279)	(4,279)	51,639	03/31/2025	1
				RBC CAPITAL MARKETS CORP																	
912828-4L-1	UNITED STATES TREAS NTS		08/17/2018	NOMURA SECURITIES/FIX		320,163	320,000	319,547	.0	.0	24	.0	24	.0	319,571	.0	592	592	2,702	04/30/2023	1
				INCOME		160,044	160,000	160,144	.0	.0	.0	.0	.0	.0	160,143	.0	(100)	(100)	.85	08/31/2023	1
912828-4X-5	UNITED STATES TREAS NTS		09/06/2018	BANCROFT CAPITAL,LLC		16,099,531	17,000,000	16,126,094	.0	.0	1,535	.0	1,535	.0	16,127,629	.0	(28,098)	(28,098)	131,492	08/15/2025	1
912828-K7-4	UNITED STATES TREAS NTS		07/03/2018	VARIOUS		782,309	785,000	781,658	782,364	.0	1,698	.0	1,698	.0	784,063	.0	(1,753)	(1,753)	5,359	11/30/2018	1
912828-U4-0	UNITED STATES TREAS NTS		08/13/2018	VARIOUS		1,471,199	1,480,000	1,479,191	1,479,487	.0	288	.0	288	.0	1,479,774	.0	(8,576)	(8,576)	17,857	03/31/2019	1
912828-W9-7	UNITED STATES TREAS NTS		09/20/2018	NOMURA SECURITIES INTL																	
912828-Y9-6	UNITED STATES TREAS NTS		08/14/2018	PIERPONT SECURITIES LLC		245,195	250,000	250,391	250,315	.0	(81)	.0	(81)	.0	250,234	.0	(5,039)	(5,039)	2,823	05/15/2020	1
912828-Y4-6	UNITED STATES TREAS NTS		09/14/2018	VARIOUS		189,707	190,000	189,866	.0	.0	2	.0	2	.0	189,869	.0	(161)	(161)	.572	07/31/2020	1
911760-RP-3	US VA VENDEE MTG TR 2002-1		09/15/2018	PRINCIPAL RECEIPT		50,857	50,857	60,520	59,014	.0	(8,157)	.0	(8,157)	.0	50,857	.0	.0	.0	2,054	08/15/2031	1
0599999	Subtotal - Bonds - U.S. Governments					51,926,973	53,280,240	52,339,355	3,915,307	.0	(34,326)	.0	(34,326)	.0	52,302,460	.0	(375,485)	(375,485)	458,759	XXX	XXX
39374D-SQ-7	WASHINGTON ST		09/13/2018	BANCROFT CAPITAL,LLC		1,994,000	2,000,000	2,000,000	.0	.0	.0	.0	.0	.0	2,000,000	.0	(6,000)	(6,000)	842	08/01/2023	1FE
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions					1,994,000	2,000,000	2,000,000	.0	.0	.0	.0	.0	.0	2,000,000						



STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity Date	NAIC Desig-nation or Market In-dicator (a)
3128MM-AG-8	FHLMC PC GOLD COMB 15		09/15/2018	PRINCIPAL RECEIPT		7,828	7,828	8,418	7,960	.0	(132)	.0	(132)	.0	7,828	.0	.0	.0	272	08/01/2019	1
31283H-6C-4	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		16,298	16,298	16,611	16,562	.0	(265)	.0	(265)	.0	16,298	.0	.0	.0	655	12/01/2032	1
31283H-6D-2	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		6,052	6,052	6,186	6,160	.0	(109)	.0	(109)	.0	6,052	.0	.0	.0	232	12/01/2031	1
3128LX-S7-6	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		14,361	14,361	15,616	15,534	.0	(1,172)	.0	(1,172)	.0	14,361	.0	.0	.0	441	10/01/2036	1
3128M5-K5-8	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		4,580	4,580	5,081	5,058	.0	(478)	.0	(478)	.0	4,580	.0	.0	.0	174	12/01/2037	1
3128M5-QY-9	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		23,588	23,588	26,104	26,069	.0	(2,482)	.0	(2,482)	.0	23,588	.0	.0	.0	795	01/01/2038	1
3128M8-6L-3	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		9,162	9,162	10,078	10,020	.0	(858)	.0	(858)	.0	9,162	.0	.0	.0	310	12/01/2038	1
3128M8-CW-2	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		1,212	1,212	1,364	1,359	.0	(146)	.0	(146)	.0	1,212	.0	.0	.0	49	09/01/2038	1
3128M8-H5-6	FHLMC PC GOLD COMB 30		09/15/2018	VARIOUS		29,877	29,083	30,246	30,182	.0	(54)	.0	(54)	.0	30,128	.0	(252)	(252)	908	02/01/2041	1
3128M8-H6-2	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		693	693	730	728	.0	(35)	.0	(35)	.0	693	.0	.0	.0	17	12/01/2040	1
3128M8-R3-0	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		1,741	1,741	1,873	1,865	.0	(125)	.0	(125)	.0	1,741	.0	.0	.0	44	12/01/2040	1
3128M8-Z7-2	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		5,672	5,672	6,185	6,171	.0	(499)	.0	(499)	.0	5,672	.0	.0	.0	167	09/01/2041	1
3128MJ-2E-9	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		49,196	49,196	52,524	52,531	.0	(3,336)	.0	(3,336)	.0	49,196	.0	.0	.0	1,371	07/01/2047	1
3128MJ-04-5	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		1,735	1,735	1,834	1,829	.0	(95)	.0	(95)	.0	1,735	.0	.0	.0	44	01/01/2042	1
3128MJ-SY-7	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		6,978	6,978	6,754	6,768	.0	210	.0	210	.0	6,978	.0	.0	.0	128	06/01/2043	1
3128MJ-YJ-3	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		62,271	62,271	63,905	.0	.0	(1,635)	.0	(1,635)	.0	62,271	.0	.0	.0	889	06/01/2046	1
312936-NA-1	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		10,230	10,230	10,916	10,888	.0	(658)	.0	(658)	.0	10,230	.0	.0	.0	279	10/01/2039	1
312941-SV-0	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		937	937	1,001	998	.0	(60)	.0	(60)	.0	937	.0	.0	.0	23	08/01/2040	1
312943-DQ-3	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		8,230	8,230	8,906	8,878	.0	(648)	.0	(648)	.0	8,230	.0	.0	.0	236	10/01/2040	1
312943-UJ-0	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		2,851	2,851	3,045	3,034	.0	(183)	.0	(183)	.0	2,851	.0	.0	.0	70	11/01/2040	1
312944-FE-6	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		1,303	1,303	1,379	1,375	.0	(72)	.0	(72)	.0	1,303	.0	.0	.0	34	12/01/2040	1
312945-DS-4	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		421	421	444	443	.0	(21)	.0	(21)	.0	421	.0	.0	.0	10	01/01/2041	1
312945-XY-9	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		2,608	2,608	2,753	2,745	.0	(137)	.0	(137)	.0	2,608	.0	.0	.0	64	02/01/2041	1
31335A-PZ-5	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		16,444	16,444	17,391	17,374	.0	(930)	.0	(930)	.0	16,444	.0	.0	.0	353	03/01/2046	1
31335B-AP-1	FHLMC PC GOLD COMB 30		09/15/2018	PRINCIPAL RECEIPT		25,717	25,717	27,750	27,734	.0	(2,018)	.0	(2,018)	.0	25,717	.0	.0	.0	717	07/01/2042	1
3132H7-DB-7	FHLMC PC GOLD H LTV 30		09/15/2018	PRINCIPAL RECEIPT		1,769	1,769	1,760	.0	.0	9	.0	9	.0	1,769	.0	.0	.0	7	07/01/2043	1
3132H7-FP-4	FHLMC PC GOLD H LTV 30		09/15/2018	PRINCIPAL RECEIPT		5,201	5,201	5,177	.0	.0	24	.0	24	.0	5,201	.0	.0	.0	20	03/01/2045	1
3132GK-2F-2	FHLMC PC GOLD PC 30YR		09/15/2018	PRINCIPAL RECEIPT		2,197	2,197	2,350	2,342	.0	(145)	.0	(145)	.0	2,197	.0	.0	.0	53	12/01/2041	1
3132HM-K9-1	FHLMC PC GOLD PC 30YR		09/15/2018	PRINCIPAL RECEIPT		18,232	18,232	19,416	19,339	.0	(1,107)	.0	(1,107)	.0	18,232	.0	.0	.0	398	09/01/2042	1
3132HQ-4K-5	FHLMC PC GOLD PC 30YR		09/15/2018	PRINCIPAL RECEIPT		12,985	12,985	13,591	13,552	.0	(567)	.0	(567)	.0	12,985	.0	.0	.0	236	01/01/2043	1
3132WL-T7-1	FHLMC PC GOLD PC 30YR		09/15/2018	PRINCIPAL RECEIPT		13,214	13,214	14,180	14,177	.0	(963)	.0	(963)	.0	13,214	.0	.0	.0	369	03/01/2047	1
3132XW-TP-6	FHLMC PC GOLD PC 30YR		09/15/2018	PRINCIPAL RECEIPT		3,570	3,570	3,547	.0	.0	23	.0	23	.0	3,570	.0	.0	.0	.0	02/01/2048	1
3132XY-VD-6	FHLMC PC GOLD PC 30YR		09/15/2018	PRINCIPAL RECEIPT		29,566	29,566	30,726	.0	.0	(1,160)	.0	(1,160)	.0	29,566	.0	.0	.0	.0	05/01/2048	1
31290K-VZ-9	FHLMC PC GUAR 30 YEAR		09/15/2018	PRINCIPAL RECEIPT		2	2	.0	.0	.0	.0	.0	.0	.0	2	.0	.0	.0	.0	07/01/2020	1
31300M-VS-9	FHLMC PC GUAR ADJ 30YR		09/15/2018	PRINCIPAL RECEIPT		60,524	60,524	62,879	62,816	.0	(2,292)	.0	(2,292)	.0	60,524	.0	.0	.0	1,143	01/01/2045	1
31326H-CQ-5	FHLMC PC HYBRID ARM		09/15/2018	PRINCIPAL RECEIPT		2,639	2,639	2,727	2,721	.0	(82)	.0	(82)	.0	2,639	.0	.0	.0	47	06/01/2044	1
31397C-K5-7	FHLMC REMIC SERIES 3243		09/15/2018	PRINCIPAL RECEIPT		30,300	30,300	32,459	32,079	.0	(1,778)	.0	(1,778)	.0	30,300	.0	.0	.0	840	11/15/2036	1
313786-GQ-8	FHLMC REMIC SERIES 4283		09/15/2018	PRINCIPAL RECEIPT		22,476	22,476	24,991	24,137	.0	(1,661)	.0	(1,661)	.0	22,476	.0	.0	.0	588	12/15/2043	1
31378S-G8-0	FHLMC REMIC SERIES 4621		09/15/2018	PRINCIPAL RECEIPT		1,270	1,270	1,269	1,269	.0	1	.0	1	.0	1,270	.0	.0	.0	17	10/15/2046	1
31378W-U3-6	FHLMC REMIC SERIES 4663		09/15/2018	PRINCIPAL RECEIPT		31,634	31,634	31,684	31,681	.0	(47)	.0	(47)	.0	31,634	.0	.0	.0	526	03/15/2047	1
3137F2-MU-7	FHLMC REMIC SERIES 4707		09/15/2018	PRINCIPAL RECEIPT		25,721	25,721	25,508	25,519	.0	202	.0	202	.0	25,721	.0	.0	.0	376	07/15/2047	1
3137AY-CD-1	FHLMC REMIC SERIES K-025		09/25/2018	PRINCIPAL RECEIPT		4,710	4,710	4,805	4,754	.0	(44)	.0	(44)	.0	4,710	.0	.0	.0	52	04/25/2022	1
3137FB-BW-5	FHLMC REMIC SERIES K-068		09/25/2018	PRINCIPAL RECEIPT		905	905	924	923	.0	(18)	.0	(18)	.0	905	.0	.0	.0	16	02/25/2027	1
31392M-EH-0	FHLMC REMIC SERIES T0041		09/25/2018	PRINCIPAL RECEIPT		1,838	1,838	1,910	1,836	.0	2	.0	2	.0	1,838	.0	.0	.0	51	07/25/2032	1
31359S-R6-9	FNMA GRANTOR TRUST 2001-T4		09/25/2018	PRINCIPAL RECEIPT		3,760	3,760	3,879	3,771	.0	(10)	.0	(10)	.0	3,760	.0	.0	.0	169	07/25/2028	1
31392F-DC-8	FNMA GRANTOR TRUST 2002-T16		09/25/2018	PRINCIPAL RECEIPT		32,592	32,592	33,407	33,126	.0	(533)	.0									

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity	NAIC Desig-nation or Market In-dicator (a)
3140J5-LM-9	FNMA PASS-THRU INT 15 YEAR		09/25/2018	PRINCIPAL RECEIPT		14,549	14,549	15,149	15,147	.0	(598)	.0	(598)	.0	14,549	.0	.0	.0	.411	11/01/2031	1
3140J5-SM-2	FNMA PASS-THRU INT 15 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,697	1,697	1,720	1,719	.0	(23)	.0	(23)	.0	1,697	.0	.0	.0	.53	05/01/2032	1
3140J7-SA-4	FNMA PASS-THRU INT 15 YEAR		09/25/2018	PRINCIPAL RECEIPT		7,520	7,520	7,710	.0	.0	(190)	.0	(190)	.0	7,520	.0	.0	.0	.126	11/01/2032	1
314007-UB-1	FNMA PASS-THRU INT 15 YEAR		09/25/2018	VARIOUS		113,155	114,159	116,371	.0	.0	(252)	.0	(252)	.0	116,119	.0	(2,964)	(2,964)	2,241	10/01/2032	1
31410L-EC-2	FNMA PASS-THRU INT 15 YEAR		09/25/2018	PRINCIPAL RECEIPT		6,474	6,474	7,022	6,740	.0	(266)	.0	(266)	.0	6,474	.0	.0	.0	.209	07/01/2024	1
31411A-JN-6	FNMA PASS-THRU INT 15 YEAR		09/25/2018	PRINCIPAL RECEIPT		20,457	20,457	20,783	20,571	.0	(114)	.0	(114)	.0	20,457	.0	.0	.0	.753	11/01/2021	1
31412Q-EQ-8	FNMA PASS-THRU INT 15 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,865	1,865	2,006	1,968	.0	(103)	.0	(103)	.0	1,865	.0	.0	.0	.53	08/01/2024	1
31416B-QD-3	FNMA PASS-THRU INT 15 YEAR		09/25/2018	PRINCIPAL RECEIPT		4,010	4,010	4,357	4,057	.0	(47)	.0	(47)	.0	4,010	.0	.0	.0	.146	01/01/2021	1
31416Y-U3-0	FNMA PASS-THRU INT 15 YEAR		09/25/2018	PRINCIPAL RECEIPT		5,677	5,677	6,089	5,990	.0	(312)	.0	(312)	.0	5,677	.0	.0	.0	.152	07/01/2026	1
31418C-PK-4	FNMA PASS-THRU INT 15 YEAR		09/25/2018	VARIOUS		50,524	50,832	52,409	52,382	.0	(261)	.0	(261)	.0	52,120	.0	(1,596)	(1,596)	1,080	09/01/2032	1
31418C-QG-2	FNMA PASS-THRU INT 15 YEAR		09/25/2018	PRINCIPAL RECEIPT		10,429	10,429	10,103	.0	.0	327	.0	327	.0	10,429	.0	.0	.0	.36	10/01/2032	1
3138ER-N6-3	FNMA PASS-THRU INT 20 YEAR		09/25/2018	PRINCIPAL RECEIPT		5,530	5,530	5,590	5,588	.0	(58)	.0	(58)	.0	5,530	.0	.0	.0	.109	11/01/2036	1
3138ER-N7-1	FNMA PASS-THRU INT 20 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,420	1,420	1,434	1,434	.0	(14)	.0	(14)	.0	1,420	.0	.0	.0	.27	11/01/2036	1
3138ET-E8-5	FNMA PASS-THRU INT 20 YEAR		09/25/2018	PRINCIPAL RECEIPT		159,738	159,738	172,966	172,271	.0	(12,533)	.0	(12,533)	.0	159,738	.0	.0	.0	4,083	06/01/2035	1
3138WD-SK-3	FNMA PASS-THRU INT 20 YEAR		09/25/2018	PRINCIPAL RECEIPT		.221	.221	.224	.0	.0	(4)	.0	(4)	.0	.221	.0	.0	.0	.3	02/01/2035	1
3140J5-UV-9	FNMA PASS-THRU INT 20 YEAR		09/25/2018	PRINCIPAL RECEIPT		3,630	3,630	3,691	.0	.0	(61)	.0	(61)	.0	3,630	.0	.0	.0	.49	01/01/2036	1
31418C-G9-9	FNMA PASS-THRU INT 20 YEAR		09/25/2018	PRINCIPAL RECEIPT		31,316	31,316	32,554	32,527	.0	(1,211)	.0	(1,211)	.0	31,316	.0	.0	.0	.689	03/01/2037	1
31371N-H4-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		3,779	3,779	3,960	3,950	.0	(171)	.0	(171)	.0	3,779	.0	.0	.0	.172	08/01/2037	1
3138A2-BX-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		3,893	3,893	4,188	4,178	.0	(284)	.0	(284)	.0	3,893	.0	.0	.0	.113	12/01/2040	1
3138EQ-O9-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		603	603	623	623	.0	(19)	.0	(19)	.0	603	.0	.0	.0	.13	12/01/2041	1
3138E2-LR-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		7,851	7,851	8,325	8,328	.0	(478)	.0	(478)	.0	7,851	.0	.0	.0	200	01/01/2042	1
3138EH-BD-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		5,848	5,848	6,194	6,177	.0	(330)	.0	(330)	.0	5,848	.0	.0	.0	.150	05/01/2041	1
3138EH-JW-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		4,283	4,283	4,834	4,819	.0	(536)	.0	(536)	.0	4,283	.0	.0	.0	.178	10/01/2039	1
3138EH-XF-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		2,425	2,425	2,675	2,672	.0	(247)	.0	(247)	.0	2,425	.0	.0	.0	.79	01/01/2042	1
3138EK-ZD-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		12,854	12,854	13,671	13,692	.0	(838)	.0	(838)	.0	12,854	.0	.0	.0	.329	12/01/2042	1
3138EK-F5-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,317	1,317	1,421	1,416	.0	(99)	.0	(99)	.0	1,317	.0	.0	.0	.39	12/01/2041	1
3138EL-B3-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		687	687	731	732	.0	(46)	.0	(46)	.0	687	.0	.0	.0	.15	06/01/2043	1
3138EL-N4-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		2,413	2,413	2,564	2,561	.0	(148)	.0	(148)	.0	2,413	.0	.0	.0	.54	07/01/2043	1
3138EN-BJ-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		6,315	6,315	6,869	6,846	.0	(530)	.0	(530)	.0	6,315	.0	.0	.0	.186	02/01/2041	1
3138EP-V3-5	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		45,299	45,299	49,496	49,425	.0	(4,127)	.0	(4,127)	.0	45,299	.0	.0	.0	1,157	05/01/2043	1
3138ER-J7-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,518	1,518	1,555	1,555	.0	(37)	.0	(37)	.0	1,518	.0	.0	.0	.34	10/01/2046	1
3138ER-MV-9	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		45,758	45,758	45,758	45,758	.0	.0	.0	.0	.0	45,758	.0	.0	.0	.875	10/01/2046	1
3138ER-NP-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		2,348	2,348	2,318	2,319	.0	29	.0	29	.0	2,348	.0	.0	.0	.45	10/01/2046	1
3138ER-NV-8	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		3,512	3,512	3,493	3,502	.0	10	.0	10	.0	3,512	.0	.0	.0	.69	11/01/2046	1
3138ET-GU-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,149	1,149	1,227	1,228	.0	(79)	.0	(79)	.0	1,149	.0	.0	.0	.26	03/01/2044	1
3138ET-T9-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		53,634	53,634	59,199	59,101	.0	(5,467)	.0	(5,467)	.0	53,634	.0	.0	.0	1,567	10/01/2042	1
3138NY-4L-6	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,653	1,653	1,533	1,541	.0	111	.0	111	.0	1,653	.0	.0	.0	.27	02/01/2043	1
3138WE-KJ-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		4,233	4,233	4,435	4,441	.0	(208)	.0	(208)	.0	4,233	.0	.0	.0	.95	04/01/2045	1
3138WF-3A-2	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		4,393	4,393	4,597	4,604	.0	(212)	.0	(212)	.0	4,393	.0	.0	.0	.100	11/01/2045	1
3138WF-5X-0	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		10,042	10,042	10,524	10,541	.0	(499)	.0	(499)	.0	10,042	.0	.0	.0	.222	11/01/2045	1
3138WF-PR-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		15,556	15,556	16,651	16,634	.0	(1,078)	.0	(1,078)	.0	15,556	.0	.0	.0	.395	09/01/2045	1
3138WG-C9-3	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		5,659	5,659	5,850	5,846	.0	(187)	.0	(187)	.0	5,659	.0	.0	.0	.128	12/01/2045	1
3138WG-DE-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		3,932	3,932	4,150	4,150	.0	(217)	.0	(217)	.0	3,932	.0	.0	.0	.105	12/01/2045	1
3138WG-DN-1	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		14,884	14,884	15,170	15,167	.0	(283)	.0	(283)	.0	14,884	.0	.0	.0	.339	01/01/2046	1
3138WH-N5-7	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,489	1,489	1,492	1,495	.0	(6)	.0	(6)	.0	1,489	.0	.0	.0	.24	07/01/2046	1
3138WH-U3-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		.577	.577	.592	.592	.0	(15)	.0	(15)	.0	.						

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2			3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
												11	12	13	14	15							
CUSIP Ident-ification	Description			For-ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity Date	NAIC Desig-nation or Market In-dicator (a)
.3140EU-4G-1	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		9,335	9,335	9,335	9,834	9,834	.0	(499)	.0	(499)	.0	9,335	.0	.0	.0	223	04/01/2046	1
.3140EV-5H-6	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		3,514	3,514	3,521	.0	.0	.0	(7)	.0	(7)	.0	3,514	.0	.0	.0	57	01/01/2046	1
.3140F5-C3-5	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,426	1,426	1,410	1,410	.0	.0	.17	.0	.17	.0	1,426	.0	.0	.0	27	12/01/2046	1
.3140F9-IP-6	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,025	1,025	1,013	1,013	.0	.0	.11	.0	.11	.0	1,025	.0	.0	.0	20	01/01/2047	1
.3140FE-2P-8	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		2,706	2,706	2,863	2,863	.0	.0	(157)	.0	(157)	.0	2,706	.0	.0	.0	69	03/01/2047	1
.3140FQ-T2-3	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		9,977	9,977	10,490	10,485	.0	.0	(508)	.0	(508)	.0	9,977	.0	.0	.0	254	07/01/2046	1
.3140FH-FH-7	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		65,576	65,576	67,208	.0	.0	.0	(1,632)	.0	(1,632)	.0	65,576	.0	.0	.0	1,232	03/01/2048	1
.3140HL-JP-2	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		126	126	134	.0	.0	.0	(8)	.0	(8)	.0	126	.0	.0	.0	.0	06/01/2048	1
.3140HM-JY-1	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		16,484	16,484	16,752	.0	.0	.0	(268)	.0	(268)	.0	16,484	.0	.0	.0	55	07/01/2048	1
.3140J5-FG-9	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		12,231	12,231	12,921	12,919	.0	.0	(688)	.0	(688)	.0	12,231	.0	.0	.0	314	02/01/2047	1
.3140J5-HL-6	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		58,481	58,481	63,196	63,168	.0	.0	(4,688)	.0	(4,688)	.0	58,481	.0	.0	.0	1,691	02/01/2046	1
.3140J5-QK-8	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		24,554	24,554	26,608	26,604	.0	.0	(2,050)	.0	(2,050)	.0	24,554	.0	.0	.0	731	01/01/2043	1
.3140J6-CR-6	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		13,871	13,871	14,307	14,306	.0	.0	(435)	.0	(435)	.0	13,871	.0	.0	.0	311	01/01/2044	1
.3140J7-IP-7	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		193	193	192	.0	.0	.0	.1	.0	.1	.0	193	.0	.0	.0	.1	12/01/2047	1
.3140J7-XP-5	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		19,442	19,442	19,916	.0	.0	.0	(474)	.0	(474)	.0	19,442	.0	.0	.0	307	06/01/2045	1
.3140J7-YN-9	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		140,945	140,945	146,230	.0	.0	.0	(5,285)	.0	(5,285)	.0	140,945	.0	.0	.0	2,630	01/01/2046	1
.3140J8-AN-3	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		186,807	186,807	191,441	.0	.0	.0	(4,634)	.0	(4,634)	.0	186,807	.0	.0	.0	2,817	02/01/2047	1
.3140J8-ET-6	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		5,052	5,052	4,905	.0	.0	.0	147	.0	147	.0	5,052	.0	.0	.0	13	11/01/2047	1
.31410G-AQ-6	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		2,776	2,776	3,086	3,089	.0	.0	(293)	.0	(293)	.0	2,776	.0	.0	.0	89	12/01/2036	1
.31410K-T8-7	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		9,188	9,188	10,136	10,126	.0	.0	(938)	.0	(938)	.0	9,188	.0	.0	.0	353	05/01/2037	1
.31410K-UK-8	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,864	1,864	1,952	1,947	.0	.0	(82)	.0	(82)	.0	1,864	.0	.0	.0	90	12/01/2037	1
.31410K-US-1	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		19,006	19,006	20,956	20,854	.0	.0	(1,848)	.0	(1,848)	.0	19,006	.0	.0	.0	654	08/01/2037	1
.31410K-XM-1	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		13,202	13,202	14,683	14,626	.0	.0	(1,425)	.0	(1,425)	.0	13,202	.0	.0	.0	558	10/01/2038	1
.31410L-DU-3	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		770	770	826	824	.0	.0	(54)	.0	(54)	.0	770	.0	.0	.0	22	02/01/2041	1
.31410L-S3-7	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		3,518	3,518	3,745	3,750	.0	.0	(232)	.0	(232)	.0	3,518	.0	.0	.0	79	09/01/2043	1
.31410L-TW-2	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		13,542	13,542	13,726	13,724	.0	.0	(182)	.0	(182)	.0	13,542	.0	.0	.0	303	09/01/2046	1
.31411B-GT-4	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,723	1,723	1,888	1,885	.0	.0	(163)	.0	(163)	.0	1,723	.0	.0	.0	61	12/01/2036	1
.31412R-FJ-1	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,418	1,418	1,536	1,531	.0	.0	(113)	.0	(113)	.0	1,418	.0	.0	.0	42	03/01/2040	1
.31416C-JV-9	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		9,004	9,004	10,006	9,967	.0	.0	(963)	.0	(963)	.0	9,004	.0	.0	.0	370	11/01/2038	1
.31416W-H3-9	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		11,335	11,335	12,400	12,367	.0	.0	(1,032)	.0	(1,032)	.0	11,335	.0	.0	.0	349	06/01/2040	1
.31416X-J7-6	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		22,979	22,979	24,342	24,275	.0	.0	(1,295)	.0	(1,295)	.0	22,979	.0	.0	.0	645	01/01/2041	1
.31417D-2G-7	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,716	1,716	1,802	1,795	.0	.0	(79)	.0	(79)	.0	1,716	.0	.0	.0	31	11/01/2042	1
.31417D-3H-4	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		7,842	7,842	8,254	8,238	.0	.0	(396)	.0	(396)	.0	7,842	.0	.0	.0	151	11/01/2042	1
.31417D-MU-4	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		957	957	1,007	1,003	.0	.0	(46)	.0	(46)	.0	957	.0	.0	.0	20	10/01/2042	1
.31417D-MV-2	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		4,437	4,437	4,674	4,656	.0	.0	(218)	.0	(218)	.0	4,437	.0	.0	.0	90	10/01/2042	1
.31417D-QW-6	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		7,164	7,164	7,537	7,508	.0	.0	(344)	.0	(344)	.0	7,164	.0	.0	.0	136	10/01/2042	1
.31417E-CK-5	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		5,449	5,449	5,633	5,630	.0	.0	(181)	.0	(181)	.0	5,449	.0	.0	.0	105	12/01/2042	1
.31418B-WU-6	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,753	1,753	1,852	1,852	.0	.0	(99)	.0	(99)	.0	1,753	.0	.0	.0	44	11/01/2045	1
.31418C-AY-0	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		8,905	8,905	9,387	9,384	.0	.0	(480)	.0	(480)	.0	8,905	.0	.0	.0	246	08/01/2046	1
.31418C-EH-3	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,224	1,224	1,286	1,286	.0	.0	(61)	.0	(61)	.0	1,224	.0	.0	.0	30	12/01/2046	1
.31418C-GE-8	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		911	911	905	.0	.0	.0	.6	.0	.6	.0	911	.0	.0	.0	3	02/01/2047	1
.31418C-NE-0	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,696	1,696	1,729	.0	.0	.0	(32)	.0	(32)	.0	1,696	.0	.0	.0	6	08/01/2047	1
.31418C-UB-8	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		1,342	1,342	1,365	.0	.0	.0	(23)	.0	(23)	.0	1,342	.0	.0	.0	74	02/01/2048	1
.31418C-V4-3	FNMA PASS-THRU	LNG 30 YEAR		09/25/2018	VARIOUS		493,113	475,740	498,3														

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-ign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Other Than Temporary Impairment Recogn-ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity Date	NAIC Desig-nation or Market In-dicator (a)
3138MQ-X9-9	FNMA PASS-THRU SF30 LTV125+		09/25/2018	PRINCIPAL RECEIPT		4,271	4,271	4,434	4,439	.0	(167)	.0	(167)	.0	4,271	.0	.0	.0	.94	01/01/2043	1
31417C-GY-5	FNMA PASS-THRU SF30 LTV125+		09/25/2018	PRINCIPAL RECEIPT		6,767	6,767	6,921	6,919	.0	(152)	.0	(152)	.0	6,767	.0	.0	.0	.151	07/01/2042	1
31417C-GZ-2	FNMA PASS-THRU SF30 LTV125+		09/25/2018	PRINCIPAL RECEIPT		1,528	1,528	1,585	1,587	.0	(60)	.0	(60)	.0	1,528	.0	.0	.0	.34	07/01/2042	1
31417C-NZ-4	FNMA PASS-THRU SF30 LTV125+		09/25/2018	PRINCIPAL RECEIPT		1,952	1,952	2,026	2,029	.0	(76)	.0	(76)	.0	1,952	.0	.0	.0	.46	08/01/2042	1
31418A-O3-5	FNMA PASS-THRU SF30 LTV125+		09/25/2018	PRINCIPAL RECEIPT		9,831	9,831	9,997	9,995	.0	(163)	.0	(163)	.0	9,831	.0	.0	.0	.216	03/01/2043	1
31368H-LZ-4	FNMA PASS-THRU LNG 30 YEAR		09/25/2018	PRINCIPAL RECEIPT		26,556	26,556	28,049	27,911	.0	(1,355)	.0	(1,355)	.0	26,556	.0	.0	.0	.969	12/01/2033	1
31392E-S8-4	FNMA REMIC TRUST 2002-W10		09/25/2018	PRINCIPAL RECEIPT		5,642	5,642	5,635	5,634	.0	.8	.0	.8	.0	5,642	.0	.0	.0	.192	08/25/2042	1
31392D-H7-0	FNMA REMIC TRUST 2002-W6		09/25/2018	PRINCIPAL RECEIPT		6,966	6,966	7,641	7,073	.0	(107)	.0	(107)	.0	6,966	.0	.0	.0	.261	06/25/2042	1
31392D-P9-7	FNMA REMIC TRUST 2002-W8		09/25/2018	PRINCIPAL RECEIPT		4,707	4,707	4,937	4,734	.0	(27)	.0	(27)	.0	4,707	.0	.0	.0	.205	06/25/2042	1
31393Q-KM-2	FNMA REMIC TRUST 2003-64		09/25/2018	PRINCIPAL RECEIPT		115,953	115,953	116,376	125,368	.0	(9,414)	.0	(9,414)	.0	115,953	.0	.0	.0	2,174	07/25/2033	1
31398G-4P-1	FNMA REMIC TRUST 2010-2		09/25/2018	PRINCIPAL RECEIPT		29,401	29,401	30,991	30,535	.0	(1,134)	.0	(1,134)	.0	29,401	.0	.0	.0	.798	12/25/2049	1
3136A3-7D-7	FNMA REMIC TRUST 2012-39		09/25/2018	PRINCIPAL RECEIPT		2,785	2,785	2,952	2,904	.0	(119)	.0	(119)	.0	2,785	.0	.0	.0	.63	03/25/2042	1
3136AM-D7-1	FNMA REMIC TRUST 2015-12		09/25/2018	PRINCIPAL RECEIPT		69,378	69,378	70,208	70,110	.0	(733)	.0	(733)	.0	69,378	.0	.0	.0	1,039	07/25/2044	1
3136B1-3K-8	FNMA REMIC TRUST 2018-44		09/25/2018	PRINCIPAL RECEIPT		8,050	8,050	8,204	.0	.0	(154)	.0	(154)	.0	8,050	.0	.0	.0	.55	06/25/2044	1
38376U-FZ-7	GNMA REMIC TRUST 2017-066		09/20/2018	PRINCIPAL RECEIPT		17,404	17,404	16,863	.0	.0	541	.0	541	.0	17,404	.0	.0	.0	.0	05/20/2045	1
38376R-S5-6	GNMA REMIC TRUST 2017-H03		09/20/2018	PRINCIPAL RECEIPT		3,744	3,744	3,755	.0	.0	(11)	.0	(11)	.0	3,744	.0	.0	.0	.14	01/20/2067	1
3199999	Subtotal - Bonds - U.S. Special Revenues					4,591,750	4,573,692	4,854,762	3,288,937	0	(175,980)	0	(175,980)	0	4,603,043	0	(11,294)	(11,294)	109,331	XXX	XXX
00432C-AV-3	ACCESS PRIVATE ST LN 2003-A		09/13/2018	PRINCIPAL RECEIPT		108,146	108,146	108,349	108,301	.0	(155)	.0	(155)	.0	108,146	.0	.0	.0	2,242	07/01/2038	1FE
01551D-AK-8	ALG STUDENT LN TR 2006 144A		07/28/2018	PRINCIPAL RECEIPT		208,000	208,000	205,140	206,252	.0	490	.0	490	.0	206,742	.0	1,258	1,258	1,994	10/28/2023	1FE
023772-AB-2	AMER AIRLINES PT TR 2013-1		07/15/2018	Sink PMT @ 100.00000000		7,255	7,255	7,255	7,255	.0	.0	.0	.0	.0	7,255	.0	.0	.0	150	01/15/2027	1FE
02377U-AB-0	AMER AIRLINES PT TR 2013-2		07/15/2018	Sink PMT @ 100.00000000		6,298	6,298	6,298	6,298	.0	.0	.0	.0	.0	6,298	.0	.0	.0	163	07/15/2024	2FE
05377R-BD-5	AVIS BUDGET RENTAL FDG 2013-1 144A		09/20/2018	PRINCIPAL RECEIPT		140,000	140,000	140,277	140,042	.0	(42)	.0	(42)	.0	140,000	.0	.0	.0	1,893	09/20/2019	1FE
	RBC CAPITAL MARKETS CORP																				
07177M-AD-5	BAXALTA INC		09/11/2018			114,744	115,000	115,713	115,442	.0	(125)	.0	(125)	.0	115,317	.0	(573)	(573)	1,653	06/23/2020	2FE
12189P-AG-7	BURLINGTON NORTHN SF RY PSTH CTF		07/15/2018	Sink PMT @ 100.00000000		1,570	1,570	1,658	1,588	.0	(18)	.0	(18)	.0	1,570	.0	.0	.0	.98	01/15/2021	1FE
14916R-AE-4	CATHOLIC HEALTH INITIATIVES		08/01/2018	MATURITY		90,000	90,000	89,962	89,995	.0	.5	.0	.5	.0	90,000	.0	.0	.0	2,340	08/01/2018	2FE
	MCDONALD & COMPANY																				
126117-AS-9	CNA FINL CORP		09/05/2018	SECURITIES		250,363	250,000	249,211	249,469	.0	.50	.0	.50	.0	249,520	.0	.843	.843	8,010	05/15/2024	2FE
22822R-AZ-3	CROWN CASTLE TOWERS LLC 144A		07/17/2018	BARCLAYS CAPITAL		627,560	610,000	676,100	668,518	.0	(852)	.0	(852)	.0	667,666	.0	(40,105)	(40,105)	17,375	08/15/2040	1FE
233046-AE-1	DB MASTER FIN LLC 2017-1		08/20/2018	PRINCIPAL RECEIPT		363	363	363	363	.0	.0	.0	.0	.0	363	.0	.0	.0	.8	11/20/2047	2AM
25272U-AA-9	DIAMOND RESORTS TR 2013-2 144A		08/20/2018	PRINCIPAL RECEIPT		22,179	22,179	22,174	22,247	.0	(69)	.0	(69)	.0	22,179	.0	.0	.0	.343	05/20/2026	1FE
28108P-AA-4	EDLINC ST LN FDG TR 144A		07/02/2018	PRINCIPAL RECEIPT		81,776	81,776	84,127	83,581	.0	(1,806)	.0	(1,806)	.0	81,776	.0	.0	.0	1,943	10/01/2025	1FE
29372E-BV-9	ENTERPRISE FLEET FNC 2017-1		09/20/2018	PRINCIPAL RECEIPT		22,489	22,489	22,489	22,493	.0	(4)	.0	(4)	.0	22,489	.0	.0	.0	.308	07/20/2022	1FE
43284A-AA-2	HILTON GRAND VACA TR 2014-A 144A		09/25/2018	PRINCIPAL RECEIPT		4,592	4,592	4,591	4,598	.0	(7)	.0	(7)	.0	4,592	.0	.0	.0	.51	11/25/2026	1FE
43789A-AA-2	HOMEWARD OPPT FUND TR 2018-1		09/25/2018	VARIOUS		6,206	6,206	6,206	.0	.0	.0	.0	.0	.0	6,206	.0	.0	.0	.11	06/25/2048	1FE
44923Q-AG-9	HYUNDAI CAP AMER INC 144A		08/09/2018	MATURITY		95,000	95,000	94,715	94,963	.0	37	.0	37	.0	95,000	.0	.0	.0	2,731	08/09/2018	2FE
47760Q-AA-1	JIMMY JOHNS FDG 2017-1 144A		07/30/2018	PRINCIPAL RECEIPT		113	113	113	113	.0	.0	.0	.0	.0	113	.0	.0	.0	.2	07/30/2047	2AM
46648U-AF-1	JP MORGAN MTG TR 2017-4		09/25/2018	PRINCIPAL RECEIPT		56,466	56,466	56,846	56,835	.0	(369)	.0	(369)	.0	56,466	.0	.0	.0	.984	11/25/2048	1FM
55616X-AC-1	MACYS RETAIL HLDGS INC		07/26/2018	MORGAN STANLEY		272,123	250,000	291,703	280,512	.0	(1,315)	.0	(1,315)	.0	279,198	.0	(7,075)	(7,075)	16,771	02/15/2028	2FE
59166D-AA-5	METLIFE SEC TR 2018-1		09/25/2018	PRINCIPAL RECEIPT		3,727	3,727	3,734	.0	.0	(7)	.0	(7)	.0	3,727	.0	.0	.0	.12	03/25/2057	1FE
55315C-AD-9	MIAF EQUIP FIN LLC 2014-A 144A		09/08/2018	PRINCIPAL RECEIPT		8,981	8,981	8,979	8,982	.0	.0	.0	.0	.0	8,981	.0	.0	.0	.86	02/08/2022	1FE
61763M-AA-8	MS BOFAML TRUST 2014-C16		09/17/2018	PRINCIPAL RECEIPT		5,568	5,568	5,568	5,566	.0	.3	.0	.3	.0	5,568	.0	.0	.0	.50	06/17/2047	1FM
553893-AA-6	MVVI OWNER TRUST 2013-144A		09/20/2018	PRINCIPAL RECEIPT		2,063	2,063	2,063	2,069	.0	(5)	.0	(5)	.0	2,063	.0	.0	.0	.27	04/22/2030	1FE
55388P-AA-8	MVVI OWNER TRUST 2015-1 144A		09/20/2018	PRINCIPAL RECEIPT		3,836	3,836	3,836	3,848	.0	(12)	.0	(12)	.0	3,836	.0	.0	.0	.61	12/20/2032	1FE
63940E-AA-8	NAVIENT STUDENT LN TR 2016-1		09/25/2018	PRINCIPAL RECEIPT		42,178	42,178	42,336	.0	.0	(158)	.0	(158)	.0	42,178	.0	.0	.0	.420	02/25/2070	1FE
	BANC AMERICA SECURITIES																				

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con-tractual Maturity Date	NAIC Design-ation or Market In-dicator (a)
92915U-AA-2	VOYA CLO 2017-2 LTD /VOYA CLO 144A	C	07/15/2018	PRINCIPAL RECEIPT		150,000	150,000	150,000	150,000	0	0	0	0	0	150,000	0	0	0	3,162	06/07/2030	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					3,895,831	3,921,793	4,045,392	3,907,319	0	(6,466)	0	(6,466)	0	4,013,678	0	(117,847)	(117,847)	111,287	XXX	XXX
8399997	Total - Bonds - Part 4					62,408,554	63,775,725	63,239,509	11,111,563	0	(216,772)	0	(216,772)	0	62,919,181	0	(510,626)	(510,626)	680,219	XXX	XXX
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Total - Bonds					62,408,554	63,775,725	63,239,509	11,111,563	0	(216,772)	0	(216,772)	0	62,919,181	0	(510,626)	(510,626)	680,219	XXX	XXX
8999997	Total - Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799997	Total - Common Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999	Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999	Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999	Totals					62,408,554	XXX	63,239,509	11,111,563	0	(216,772)	0	(216,772)	0	62,919,181	0	(510,626)	(510,626)	680,219	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....0

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open  
**N O N E**

Schedule DB - Part B - Section 1 - Futures Contracts Open  
**N O N E**

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made  
**N O N E**

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open  
**N O N E**

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By  
**N O N E**

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To  
**N O N E**

Schedule DL - Part 1 - Reinvested Collateral Assets Owned  
**N O N E**

Schedule DL - Part 2 - Reinvested Collateral Assets Owned  
**N O N E**

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
					First Month	Second Month	Third Month	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date				*
SunTrust Bank ..... Nashville, TN .....		0.000	0	0	(26,075,593)	(29,614,973)	(32,126,776)	XXX
Wells Fargo Bank ..... Roanoke, VA .....		0.000	0	0	(62,473,717)	(62,929,160)	(63,689,582)	XXX
Bank of New York Mellon ..... Pittsburgh, PA .....		0.000	0	0	(18,704)	0	(12,147)	XXX
0199998. Deposits in ... 0 depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX	0	0	0	0	0	XXX
0199999. Totals - Open Depositories	XXX	XXX	0	0	(88,568,014)	(92,544,133)	(95,828,505)	XXX
0299998. Deposits in ... 0 depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0299999. Totals - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	(88,568,014)	(92,544,133)	(95,828,505)	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX	0	0	0	XXX
.....								
.....								
.....								
.....								
.....								
.....								
.....								
.....								
.....								
0599999. Total - Cash	XXX	XXX	0	0	(88,568,014)	(92,544,133)	(95,828,505)	XXX

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

[illegible]